
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

(Mark One)

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

For the fiscal year ended December 31, 2024
OR

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

For the transition period from _____ to _____.

Commission file number: 001-40973

AirSculpt Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

87-1471855

(I.R.S. Employer
Identification No.)

1111 Lincoln Road, Suite 802

Miami Beach, FL

(Address of principal executive offices)

33139

(Zip Code)

Registrant's telephone number, including area code: **(786) 709-9690**

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	AIRS	The Nasdaq Global Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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.

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Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the common shares held by non-affiliates of the registrant as of the last business day of the registrant's most recently completed second fiscal quarter was \$52.7 million.

The registrant had 58,574,516 shares of common stock outstanding as of March 13, 2025.

DOCUMENTS INCORPORATED BY REFERENCE

None.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made statements in the sections titled “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” “Quantitative and Qualitative Disclosures About Market Risk” and in other sections of this Annual Report on Form 10-K that are forward-looking statements. In some cases, you can identify these statements by forward-looking words such as “may,” “might,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential” or “continue,” the negative of these terms and other comparable terminology, but the absence of these words does not mean that a statement is not forward-looking. These forward-looking statements, which are subject to risks, uncertainties and assumptions about us, may include projections of our future financial performance, our anticipated growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. You are cautioned that there are important risks and uncertainties, many of which are beyond our control, that could cause our actual results, level of activity, performance or achievements to differ materially from the projected results, level of activity, performance or achievements that are expressed or implied by such forward-looking statements. We qualify all of our forward-looking statements by these cautionary statements.

Our future results could be affected by a variety of other factors, including, but not limited to, failure to stabilize same-store performance; not being able to optimize our marketing investment, go-to market strategy and sales process; not having the ability to expand our financing options for consumers; being unsuccessful in further product innovations; failure to operate centers in a cost-effective manner; increased competition in the weight loss and obesity solutions market, including

as a result of the recent regulatory approval, increased market acceptance, availability and customer awareness of weight-loss drugs; shortages or quality control issues with third-party manufacturers or suppliers; competition for surgeons; litigation or medical malpractice claims; inability to protect the confidentiality of our proprietary information; changes in the laws governing the corporate practice of medicine or fee-splitting; changes in the regulatory, macroeconomic conditions, including inflation and the threat of recession, economic and other conditions of the states and jurisdictions where our facilities are located; and business disruption or other losses from natural disasters, war, pandemic, terrorist acts or political unrest.

We discuss many of these risks and uncertainties in the section titled “Item 1A. Risk Factors” of this Annual Report on Form 10-K and in other filings we make from time to time with the U.S. Securities and Exchange Commission. There also may be other risks and uncertainties that are currently unknown to us or that we are unable to predict at this time.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements. Forward-looking statements represent our estimates and assumptions only as of the date they were made, which are inherently subject to change, and we are under no duty and we assume no obligation to update any of the forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, after the date of this Annual Report on Form 10-K to conform our prior statements to actual results or revised expectations, except as required by law. Given these uncertainties, investors should not place undue reliance on these forward-looking statements.

Part I

Item 1. Business

Unless otherwise indicated or the context otherwise requires, references in this Annual Report on Form 10-K to the “Company,” “AirSculpt,” “we,” “us” and “our” refer to AirSculpt Technologies, Inc. and its consolidated subsidiaries and the Professional Associations (as defined hereinafter).

Our Company

AirSculpt is a next-generation body contouring treatment designed to optimize both comfort and precision, available exclusively at AirSculpt offices. The minimally invasive procedure removes fat and tightens skin, while sculpting targeted areas of the body, allowing for quick healing with minimal bruising, tighter skin, and precise results.

We believe our treatment results and elite patient experience have positioned AirSculpt as a preferred body contouring brand. We performed 14,036 body contouring procedures in 2024. Our proprietary and patented AirSculpt[®] method is minimally invasive because it requires no needle, no scalpel, no stitches and no general anesthesia to achieve transformational change that appears both natural and smooth. Our patients are guided by surgeons, nurses and patient care consultants through every step of the experience.

We have a broad offering of fat removal procedures across treatment areas. We also offer innovative fat transfer procedures that use the patient’s own fat cells to enhance the breasts, buttocks, hips or other areas and do not require silicone or foreign materials to be implanted. Our innovative body contouring procedures include the Power BBL[®], a Brazilian butt lift procedure, the Up a Cup[™], a breast enhancement procedure, and the Hip Flip[™], an hourglass contouring procedure. Our motivation to provide the best body contouring outcomes for our patients fuels our innovation.

Further, the Company introduced AirSculpt[®] + and AirSculpt[®] Smooth in fiscal year 2022. AirSculpt[®] + permanently removes fat and tightens the skin with unparalleled precision and finesse. Patients first target any area containing excess fat with AirSculpt[®], then have that same area treated with a technology that instantly tightens skin and improves laxity. This advanced, minimally invasive treatment combines helium gas and radiofrequency energy to create a plasma specially equipped to correct sagging skin and restore a youthful, natural appearance. AirSculpt[®] Smooth delivers effective and long-lasting cellulite reduction with one single treatment. AirSculpt[®] Smooth uses an advanced cellulite removal tool, which is FDA-cleared to target cellulite on the buttocks and thighs. Results appear almost instantly, and because AirSculpt[®] Smooth is heat-free, it can be used on any skin type.

Our treatment results—highlighted by a vast gallery of “before and after” photos across gender, body shape and treatment areas—are a powerful tool to build our brand through digital marketing on our website and social media accounts. We also leverage AirSculpt[®] TV, which takes viewers into procedure rooms to watch our surgeons use AirSculpt[®] body contouring procedure to achieve dramatic results and hear patient testimonials. We utilize celebrity and influencer endorsements, as well as word-of-mouth referrals, to drive new patient acquisition.

We deliver our body contouring procedures through a growing, nationwide footprint of 32 centers across 20 U.S. states, Canada, and the United Kingdom as of March 14, 2025. Our centers, located in metropolitan and suburban areas, offer a premium patient experience and luxurious, spa-like atmosphere. Due to restrictions on the corporate practice of medicine in many states, the professional associations (each, a “Professional Association,” and collectively, the “Professional Associations”) owned by the surgeons that operate our centers are responsible for all clinical aspects of the medical operations that take place in each of our centers, including contracting with the surgeons who perform procedures on patients at our centers.

We are a holding company and all of our operations are conducted through the Professional Associations and our wholly-owned subsidiaries, which own and operate the non-clinical assets and provide Management Services to the Professional Associations through Management Service Agreements (“MSAs”).

The value proposition provided by our services results in exceptional unit-level economics, which in turn helps to support predictable and recurring revenue and attractive cash flow. Additionally, we require 100% private pay upfront and, therefore, face no reimbursement risk.

Under the stewardship of our founder and Executive Chairman of our board of directors, Dr. Aaron Rollins, our Lead Independent Director, Adam Feinstein, and the other management team members, we have built a culture focused on achieving the best results for our patients. For the year ended December 31, 2024, we generated \$180.4 million of revenue compared to \$195.9 million for the year ended December 31, 2023, which represents a decline of approximately 7.9%.

Given the recent decline in revenue, our focus will be stabilizing revenue growth through optimizing our marketing investment, improving our go-to-market and sales strategies, expanding consumer financing offerings and focusing on new

product innovation. In January 2025, the Company hired a new Chief Executive Officer, Yogi Jashnani, with over 20 years of experience in the aesthetics, retail and finance industries and significant experience in driving revenue growth through strategic initiatives. We believe that Mr. Jashnani's industry knowledge, as well as his leadership experience, will provide value in driving initiatives forward to return to revenue growth. We are focusing our marketing spend on techniques that have proven successful for us in the past using a returns-based approach and are also testing new areas such as online video, and other social marketing channels under the direction of our new Chief Digital Officer. The Company has also hired a new Chief Sales Officer dedicated to strengthening our consultative sales model with enhanced training, improving our sales processes, and providing a greater focus on lead conversion. We believe that there is an opportunity to introduce new services, particularly in the area of skin tightening, that would allow us to expand our customer reach and generate incremental revenues. Finally, we have implemented a cost reduction program that is estimated to eliminate approximately \$3 million in annual overhead costs and contracted expenses.

Our Market Opportunity

We operate within the large and growing market for body fat reduction procedures. Our market includes both surgical procedures, such as liposuction and abdominoplasty procedures, as well as non-surgical procedures, such as cryolipolysis, ultrasound, laser lipolysis and other non-surgical body fat reduction procedures. Based on a study completed by an independent third-party consultant contracted by the Company in July 2023, the addressable market that the Company operates in, including liposuction, body sculpting, fat transfer fillers and skin tightening procedures, was estimated to be \$11 billion in 2022 and expected to grow at a 9% compound annual growth rate through 2027.

The increased market acceptance, availability and customer awareness of weight-loss drugs has changed the market for body fat reduction procedures. The increasing use of weight loss drugs may lead to increased demand for body contouring and skin tightening procedures. It is difficult to predict the long-term outlook of the market for weight-loss drugs, including their long-term efficacy and potential drawbacks. As a result, we cannot be certain of the impact these weight-loss drugs will have on the market for body fat reduction procedures.

Our Growth Drivers

The market for surgical aesthetic procedures is growing, fueled by trends including:

- ***Self-Image Awareness:*** increased consumer awareness and focus on beauty consciousness driven by social media and prioritization of healthy lifestyles;
- ***Social Acceptance:*** consumers have embraced cosmetic treatment and reduced the social stigma, especially through the proliferation of shared patient photos on social media;
- ***Improved Safety and Recovery Profile:*** advances in technology have led to reduced recovery times and introduction of more minimally-invasive procedures;
- ***Rise in Disposable Income:*** the global rise in disposable income provides individuals with greater discretionary funds for personal appearance enhancements including cosmetic surgery; and
- ***Increased Weight Gain in the Overall Population:*** worldwide prevalence of overweight and obesity in individuals continues to rise.
- ***Increased use of GLP-1 Weight Loss Drugs:*** increasing use of weight loss drugs may lead to increased demand for body contouring and skin tightening procedures.

Limitations to Existing Procedures

Fat reduction and body contouring procedures have become increasingly popular, but many offerings have significant limitations. Existing procedures for fat reduction or body contouring, other than AirSculpt[®], currently include surgical procedures such as liposuction and abdominoplasty (tummy tuck) and non-surgical procedures that use cooling, injected medication or heat to reduce fat cells. We believe these procedures often have limited, inconsistent and less predictable results than AirSculpt[®]. Many procedures can also involve significant pain and may require excess recovery time post-surgery.

The AirSculpt[®] Difference

AirSculpt[®] is a minimally invasive procedure delivered in one session while the patient is awake. Each procedure is done by a trained surgeon for customized and precise results. As for discomfort, patients typically report limited soreness the next day following the procedure. We believe our procedures offer dramatic results to our patients.

Our Competitive Strengths

We attribute our success to the following strengths that differentiate us from our competitors:

Trusted Brand Redefining Body Contouring

The AirSculpt® method was created to offer patients a gentler alternative to traditional fat removal procedures with transformative results delivered in a luxurious, spa-like environment. We specialize in body contouring through the minimally invasive removal of unwanted fat. The proprietary AirSculpt® method empowers our surgeons to use their high level of skill and artistry to deliver dramatic results personalized to our patients.

Beneficial Treatment Results and Premium Patient Experience, Underpinned by Proprietary AirSculpt® Method

We believe that our AirSculpt® procedures offer beneficial results and a premium patient experience. Our AirSculpt® procedures are differentiated by our patented technology, broad and innovative procedures, elite patient experience, and highly skilled surgeons.

- **AirSculpt® Method:** Our patented and precision-engineered method, AirSculpt®, permanently removes fat and tightens skin while sculpting targeted areas of the body through minimally invasive body contouring procedures. Unlike traditional liposuction which uses cannulae in a scraping motion, AirSculpt® drives a cannula 1,000 times per minute in a corkscrew motion to remove fat cells while tightening skin simultaneously. It requires no needle, no scalpel, no stitches and no general anesthesia to create dramatically natural, smooth results. AirSculpt® is minimally invasive, providing transformative results, all delivered in one session while the patient is awake.

As of December 31, 2024, our patent portfolio is comprised of two issued U.S. utility patents, one pending U.S. utility patent application, and one International (PCT) patent application, each of which we own directly. The tools we use to perform our fat removal and fat transfer procedures are purchased from third parties, and we do not own the proprietary rights to such tools. Instead of protecting specific, individual liposuction components (such as a particular handpiece design), our issued patents and our pending applications relate to certain proprietary implementations of the process described in the section “Our Technique, Training and Equipment,” and the combination of multiple components to form proprietary systems that are specially configured for carrying out those proprietary processes. We believe the systems and methodologies claimed in our issued patents provide impressive results with less patient trauma relative to other systems and methods, such as liposuction and abdominoplasty (tummy tuck), that require more invasive surgical procedures.

- **Broad Offering of Innovative, Body Sculpting Procedures:** We offer our patients a comprehensive suite of customized body contouring procedures, including fat removal and fat transfer, to meet their wants and needs.

Our fat removal procedures remove a patient’s stubborn fat from a variety of treatment areas, such as the stomach, back and buttocks. We created our popular *48-Hour Six Pack™* procedure to enhance and reveal abdominal muscles in just one session by removing the stubborn pockets of fat hiding one’s six-pack.

We also offer fat transfer procedures, during which our surgeons transfer a patient’s collected fat cells to enhance the buttocks, breast, hips or aging hands to naturally enhance or sharpen a patient’s contours. Some of our most popular fat transfer procedures are:

- **Power BBL® (“Brazilian Butt Lift”)**, which removes a patient’s unwanted fat from areas such as tummy or thighs and transfers it to the buttocks, giving a flatter stomach and slimmer waist, while shaping the buttocks and tightening the skin;
- **Up a Cup™ Breast Augmentation**, which removes a patient’s natural fat, typically from the tummy or thighs, and transfers it to the breasts to increase size by about one cup. AirSculpt® enhanced breasts are all natural. No silicone or other foreign material is implanted; and
- **Hip Flip®**, which removes unwanted fat from one area of the body and transfers it to the hips to fill in the “hip dip” to create the coveted hourglass figure. It is often performed in combination with the Power BBL®.

We are continuously innovating to better serve our patients. In 2020, we started performing and trademarked the Hip Flip® procedure. Since then, we have continued to innovate and in 2020 we introduced the CankCure® procedure which removes fat and contours the calf and ankle area. In 2022, we introduced AirSculpt® + and AirSculpt® Smooth, as discussed above. We are only in the beginning stages of innovation and have much more to introduce to the body contouring field.

- **Premium Patient Experience:** We offer our patients a premium consumer experience. From the initial consultation to the day of procedure, our patients are guided by knowledgeable patient care consultants. Our centers are located near high end retail environments, such as Rodeo Drive in Beverly Hills and Fifth Avenue in

New York. The centers are designed and furnished with furniture from a high-end retailer with the patient experience in mind, offering a comfortable and calming environment ahead of and after the procedure. We offer our patients the choice of virtual consults prior to their procedures.

- **Elite Surgeons:** Our surgeons are chosen not only for their medical skills, generally as plastic or cosmetic surgeons, but also for their artistic vision. They are selected to join our nationwide practice because they are at the top of their profession, specialize in body sculpting, and have artistic skill. Before working on AirSculpt patients, each surgeon completes extensive AirSculpt® training to ensure the best results for every patient and treatment.

We offer our surgeons a compelling economic opportunity, with annual compensation for part-time work at AirSculpt often higher than the average full-time salary in a private practice. By joining AirSculpt, surgeons are also able to grow their private practices by attracting Elite patients to their private practice for non-body contouring procedures, such as face lifts and injectables. Our surgeons are also featured on our social media platforms.

AirSculpt® allows the surgeon to provide high quality outcomes to patients while being less physically demanding on the surgeon than traditional liposuction. As AirSculpt® is only available for use at AirSculpt centers, we protect our brand and are able to retain high quality surgeons.

National and International Footprint Fueled by Attractive Unit Economics

We have a growing national footprint consisting of 32 centers across 20 U.S. states, Canada, and the United Kingdom as of March 14, 2025. Our centers are located primarily in metropolitan cities near retail shops that our patients frequent and popular areas. On average, our centers contain two procedure rooms with the capacity to perform up to 36 surgeries a week, in addition to additional consultation offices for prospective patients. Our accreditation as an office-based practice under the Joint Commission demonstrates our commitment to safety and quality. In 2024, we generated revenue per case of \$12,849 on average. We require 100% private pay upfront and face no reimbursement risk.

Our centers generate highly attractive unit-level economics and require only a modest investment to open. Our centers typically achieve profitability within approximately three months, providing AirSculpt with a highly attractive and near-immediate return on invested capital. We believe our focus on returning to same-store revenue growth through optimizing marketing investments, enhancing sales strategies, expanding consumer financing options and adding new product lines will enhance the unit level economics over the levels we saw in 2024.

Scaled Platform and Consistent Demand Drives Capital Efficient Growth and Free Cash Flow

Our operating model is highly scalable and enables capital efficient growth. For the year ended December 31, 2024, we generated approximately \$180 million of revenue compared to approximately \$196 million for the year ended December 31, 2023, which represents an approximately 7.9% decline. We have a capital efficient business that requires minimal maintenance capital expenditures and working capital to support our operations.

Experienced Founder-Led Management Team to Support Growth

We are led by an experienced team united by our vision to redefine body contouring and a belief in our long-term growth potential. Our founder and Executive Chairman of our board of directors, Dr. Aaron Rollins, is a celebrity cosmetic surgeon that is recognized as a leader in body sculpting and has been featured across digital, print and TV. Dr. Rollins has been a licensed cosmetic surgeon since 2004. In addition, our Lead Independent Director, Adam Feinstein, who founded Vesey Street Capital Partners, L.L.C., our private equity sponsor (“Sponsor”), has 25 years of experience working with many of the leading healthcare services companies, including service as a member of public and private healthcare company board of directors. Our Chief Financial Officer, Dennis Dean, who has over 20 years of experience in the healthcare industry, including at Envision Healthcare and Surgery Partners, joined the team in 2021 prior to our IPO.

Further, AirSculpt's founder and former Chief Executive Officer, Dr. Aaron Rollins, serves as Executive Chairman of the board of directors. Dr. Rollins is primarily focused on leading the Company's overall vision and providing strategic guidance. In addition, Yogi Jashnani became Chief Executive Officer in January 2025. Mr. Jashnani served as the Chief Revenue Officer of Sky Zone, Inc. from November 2023 to January 2025 (and as a consultant in the same role from April 2023 to November 2023), and as Chief Commercial Officer of Ideal Image Development Corp., from December 2019 to March 2023. We have built a strong and experienced team across our marketing and operations functions that is highly scalable and capable of supporting future growth.

Our Growth Strategies

We intend to deliver long-term growth in revenue and profitability by executing on the following strategies:

- **Continue to Grow Our Brand Awareness and Attract New Patients:** We believe that consumer trends towards greater acceptance of body contouring and cosmetic treatments will continue to expand the market for our services.

We believe we are a leading provider of body contouring procedures and that there is a significant opportunity to drive awareness and adoption of our AirSculpt® method and procedure offerings.

- **Continue to Drive Sales Growth of Our Centers:** We employ the following strategies to increase our procedures performed and drive higher revenue per procedure in existing centers:
 - *Increase speed and efficiency of patient onboarding to increase utilization and reduce patient waiting times:* We have and will continue to execute initiatives that increase the speed through which patients convert from initial consultation to procedure. These initiatives include responding more efficiently to patient inquiries and utilizing virtual consultations that enable our patients to speak with surgeons and qualified patient care representatives in the convenience of their own home or office, making it easier and quicker to schedule a procedure and reduce overall waiting time.
 - *Continue to introduce new, innovative procedures:* Since our founding in 2012, we have demonstrated our ability to innovate with the novel introduction of the AirSculpt® method to the cosmetic surgery field. Over the past decade, we have generated more revenue per patient, which we believe is a direct result of our successful introduction of new procedures to meet our patients' needs. Fat transfer has been a highly successful innovation and is now a critical component of our offering, enabling the artistry of many of our most popular and highest revenue procedures. We also continue to develop new procedures, such as the Hip Flip® and CankCure®, to meet our patients' demand and drive traffic to our centers.
 - *Increase prices on procedures:* We have an ability to increase prices on our procedures driven by the strong value proposition that our services offer to our patients.
 - *Optimizing Marketing Investment:* As part of our long-term growth strategy, we are focused on optimizing our marketing investment to enhance efficiency, improve return on investment, and drive sustainable revenue growth. By leveraging data-driven insights, we aim to allocate marketing resources more effectively across channels, ensuring that each dollar spent contributes to measurable business outcomes.
 - *Expanding Financing Offerings:* We are focused on expanding consumer financing options to enhance affordability, increase customer accessibility, and drive sales growth. By offering flexible payment solutions, we aim to attract a broader customer base, improve conversion rates, and strengthen customer loyalty.

We employ the following strategies to drive brand awareness:

- **Developing digital content, including a “before and after” photo gallery and AirSculpt® TV:** We have collected a catalog of over 250,000 “before and after” photos, showcasing our treatment outcomes. Our AirSculpt® TV program, featured on our AirSculpt Instagram page and website, provides a never-before seen transparency in our space. We will continue to develop high quality digital content that highlights the transformative power of our minimally invasive procedures.
- **Social, digital and traditional marketing:** Our in-house marketing team generates continuous media coverage of our offering across social, digital, and traditional media channels, such as magazines and TV. By using web-based lead generation, we generate over 400,000 monthly website visits, primarily through optimized spend on Google's marketing engine.
- **Celebrity endorsements:** We collaborate with celebrity influencers and TV personalities to drive continuous media coverage that raises brand awareness and social acceptance of our procedures.
- **Patient testimonials:** Our patients are some of the best advocates for our brand, with many recommending our procedures to family and friends. We encourage our patients to share their “before and after” photos on social media.

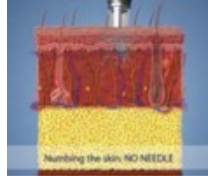
While we are not likely to open new centers in the near term due to initiatives to improve liquidity, we do believe opening new centers in North America remains a part of our long-term growth strategy. We employ the following strategies to expand our footprint:

- **Expand Footprint by Opening New Centers in the United States:** We believe our track record of successfully opening new AirSculpt centers consistently generating strong unit-level economics validates our strategy across the United States. In order to ensure our new centers are profitable, we follow the same business plan for each new center. A new center is generally profitable within the first few months of opening, supported by our 100% upfront private pay policy. We have strong conviction in our ability to continuously improve our unit economics as we open additional centers in the United States. With our patient care consultants and surgeons performing virtual consultations ahead of store openings, we are able to pre-book procedures and can begin performing surgeries on a center's opening day, accelerating the ramp up of those centers.
- **Disciplined Approach to Choosing Potential Markets:** Management uses a disciplined approach to choose potential markets, opening centers at minimal cost located near premium retail shops that our patients frequent. We believe there is a significant North American growth opportunity of over 200 potential locations in the U.S. and Canada and will continue to opportunistically evaluate new center openings.

Our Technique, Training and Equipment

AirSculpt® is a proprietary, patented method of tumescent liposuction that removes unwanted fat from several targeted areas of the body in a minimally invasive procedure, producing dramatic results. By contrast to traditional liposuction, AirSculpt® requires no needle, no scalpel, no stitches and no general anesthesia, with patients remaining awake during the procedure. We train our surgeons in the AirSculpt® procedure, for which we possess a patent covering the process. Our surgeons are contractually prohibited from performing AirSculpt's proprietary procedures, including the AirSculpt® procedure, if they leave AirSculpt.

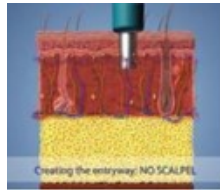
1. Pain Management



Prior to the procedure, patient is given a sedative cocktail and local anesthesia via air pressure from a needleless jet injector.

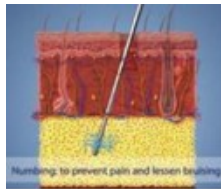
****Patient remains fully awake during the procedure***

2. Access Point Creation



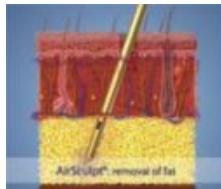
One to three entryways are created by the jet injector, which are widened to 2mm (freckle-sized) by means of a biopsy punch.

3. Local Numbing



A thin cannula is inserted in each entryway, at which point a local numbing solution is dispersed subdermally to the target areas.

4. Fat Removal Process



Proprietary fat removal process uses industry accepted, FDA approved tools to grab, separate, and remove fat cells.

An FDA-approved handpiece drives cannula 1,000 times per minute in a corkscrew motion to remove fat cells, without harming surrounding tissue and structures.

The amount of fat removed via the AirSculpt® method depends on patient body size, desired outcomes and state regulations. After the procedure is complete, a piece of dry gauze is used to cover the entryway to protect against infection.

Across our centers, we use a network of independent surgeons to perform the AirSculpt® procedure. We believe that the desire to be an AirSculpt surgeon has provided us with ready access to talented providers, making recruitment a selective process. Additionally, through referral and outreach, we plan to continue recruiting surgeons to perform procedures on our growing number of patients. We conduct background checks on prospective surgeons, confirming licensure and checking surgeon records contained in the National Practitioner Data Bank. Furthermore, we consider the body of work of prospective surgeons, including before and after photos and areas of specialization. Following this initial selection process, our prospective surgeons undergo in-house training through the Elite Fellowship Program where they receive proprietary information regarding the AirSculpt® method and approved body markings, observe videos of experienced AirSculpt® surgeons, observe those surgeons complete eight to ten procedures in-person, and later complete three procedures under the in-person supervision of those surgeons. If a prospective surgeon successfully completes the Elite Fellowship Program, they are permitted to conduct the AirSculpt® method without restrictions. Otherwise, they are observed in additional training procedures or are not chosen to join the AirSculpt team. Additionally, there is a comprehensive ongoing review process of all surgeons conducted by our experienced AirSculpt® surgeons, which includes on-site visits at centers to help maintain quality standards, and feedback from other staff members, including members of our nursing team.

In connection with the AirSculpt® method, we currently use an FDA-approved handpiece manufactured by Euromi S.A., a Belgian company that specializes in the manufacturing and distribution of medical, dermatological and plastic surgery products, and other FDA- approved parts, such as the cannula and vacuum pump, from other manufacturers. The handpiece we use costs significantly more than other handpiece models, and we believe it is more powerful while being gentler for the patient, helping to produce better results. Some of the other parts used are customized for us by our suppliers for our procedure. Although using FDA-approved equipment in medical procedures is the practice of medicine and does not itself require further FDA review or approval, FDA regulations require that we report certain information about adverse medical events if our AirSculpt® procedures have caused or contributed to those adverse events.

While we recruit our surgeons with a focus on excellence and skill, the handpiece we use in connection with the AirSculpt® method is designed to automatically shut off if any issues are detected in the process (e.g., excessive heat levels). As of the date of this Annual Report on Form 10-K, we are not aware of any adverse events in connection with the AirSculpt® procedure that would require reporting under any regulations.

We are continuously working to innovate to make the AirSculpt® procedure easier to perform, deliver enhanced results, and be more pleasant for our patients, all with a goal of providing the best body contouring results possible. Moreover, we continue to develop AirSculpt® for new procedures and also seek to incorporate new technologies into our current procedures.

Center Format and Selection

Our centers are approximately 3,000 to 5,000 square feet each and are typically open six days per week, with select centers open seven days per week, from 9 am to 5 pm. Certain centers may operate outside of typical hours to accommodate client schedules. Most existing locations have two procedure rooms. Our centers are typically staffed by three surgeons, who are independent contractors, nurses, office managers, sales consultants, sales assistants and front desk concierges/administrative assistants.

Our target markets include affluent metropolitan and suburban areas and we conduct in-person site visits to proposed center locations. While we are not likely to open new centers in the near term due to initiatives to improve liquidity, we do believe opening new North American centers remains a part of our long-term growth strategy. We use a disciplined approach when opening de novo centers and conduct extensive diligence of potential markets through social research, economic analysis of each market and conduct in-person site visits to proposed center locations.

Our Marketing and Sales Efforts and Third-Party Financing

Our marketing efforts are driven by an in-house team of professionals that focus on digital and other platforms. In addition to monitoring and managing our social media presence, our team is focused on search engine optimization on our digital platform. For the year ended December 31, 2024, our total advertising costs were \$33.4 million, split approximately 90% digital advertising and 10% other advertising platforms.

Selling expenses consist of advertising costs for social, digital and traditional marketing and sales and marketing personnel. Our total selling expenses for 2024 were approximately \$43.9 million, or approximately 24.4% of revenue. Our customer acquisition costs were approximately \$3,130 per customer in 2024.

As part of our long-term growth strategy, we are focused on optimizing our marketing investment to enhance efficiency, improve return on investment, and drive sustainable revenue growth. By leveraging data-driven insights, we aim to allocate marketing resources more effectively across channels, ensuring that each dollar spent contributes to measurable business outcomes.

Our sales assistants respond to inquiries from prospective patients and schedule virtual or in-person consultations. We offer our patients the choice of a pre-procedure virtual consult. Rather than making an in-office appointment, our patients are able to speak with our surgeons and qualified patient care consultants in the convenience of their own home or office typically within 24-72 hours. We encourage a strong relationship between our patients and surgeons, from initial consultation, through procedure, to after treatment. Nearly all of our patient-facing consultants are former patients and can speak to their personal AirSculpt experiences. Based on these efforts, together with discussions with our surgeons, our patients elect to move forward and schedule a procedure date. Many patients, satisfied with results and experience, return to AirSculpt to receive further AirSculpt® treatments on additional body parts.

Our consultants provide patients pricing information the day of their consult and, if requested by the patient, assist patients with securing third-party financing from entities such as CareCredit, PatientFi and Alphaeon, among others, enabling consumers to more quickly schedule their procedures. We do not face any risk in default of payment under that financing arrangement, which is solely between the patient and third-party financing vendor. In 2024, approximately 52% of our cases involved the patient securing third-party financing. We are focused on expanding consumer financing options to enhance affordability, increase customer accessibility, and drive sales growth. By offering flexible payment solutions, we aim to attract a broader customer base, improve conversion rates, and strengthen customer loyalty.

Our Intellectual Property

As of December 31, 2024, our patent portfolio is comprised of two issued U.S. utility patents, one pending U.S. utility patent application, and one International (PCT) patent application, each of which we own directly. The tools we use to perform our fat removal and fat transfer procedures are purchased from third parties and we do not own the proprietary rights to such tools. Instead of protecting specific, individual liposuction components (such as a particular handpiece design), our issued patents and our pending applications relate to certain proprietary implementations of the process described in the section “Our Technique, Training and Equipment,” and the combination of multiple components to form proprietary systems that are specially configured for carrying out those proprietary processes. We believe the systems and methodologies claimed in our issued patents provide impressive results with less patient trauma relative to other systems and methods, such as liposuction and abdominoplasty (tummy tuck), that require more invasive surgical procedures. In general, patents have a term of 20 years from the application filing date or earliest claimed non-provisional priority date. We expect our issued patents to expire in 2033 or later.

AirSculpt®, AirSculpt+®, AirSculpting®, AirSculpt Plus®, Elite Body Sculpture®, RevisionSculpt®, AirSculpt Lift™, No Needle, No Scalpel, No Stitches®, If You Can Pinch It, We Can Take It®, Power BBL®, Tiny Tuck®, 48 Hour Six Pack®, Cure for the Hip Dip®, Hip Flip®, CankCure®, Stubborn Fat, It’s All We Do®, The 48 Hour Difference™, and our logo are U.S. registered trademarks or trademarks for which registration is pending in the United States. We have also registered AirSculpt® and certain other trademarks outside of the United States.

We seek to protect our intellectual property by filing patent applications in the United States and internationally related to our procedures that are important to our business. We rely on a combination of confidentiality, non-disclosure and assignment of invention agreements with our employees, surgeons, consultants, contractors and other partners and collaborators. We further rely on copyright, trademark and trade secret laws to protect our brands, proprietary technologies, know-how, data, and copyrighted content (including our library of before and after photographs).

Competition

We believe that our brand recognition and minimally invasive procedures with results meeting or exceeding our customer expectations distinguish us in the growing market for body contouring.

While we believe we are transforming and growing the body contouring market, our primary competition includes individual and small practice group providers of traditional liposuction, which we believe require a longer patient recovery time than AirSculpt® and some national providers of other minimally-invasive techniques, which we believe are less effective than AirSculpt®. Additionally, university and hospital systems, medical spas and centers and beauty and rejuvenation centers include body contouring services in their offerings. While we primarily operate in the body contouring market, we also compete with companies that offer non-surgical methods of fat reduction, including weight-loss drugs, and other non-invasive weight loss and obesity solutions. Because of the high growth potential of the market for weight loss and obesity solutions, existing and potential competitors have historically dedicated, and will continue to dedicate, significant resources to aggressively develop and commercialize their products.

The areas in which we compete include:

- **Patients:** We compete for patients to utilize our procedures through our marketing efforts and exceptional brand reputation.

- **Procedure Offering:** We compete with providers of liposuction, abdominoplasty (tummy tuck) and gastric bypass surgery, weight-loss drugs and non-surgical procedures that use cooling, injected medication or heat to reduce fat cells. Many procedures can also involve significant pain and may require excess post-surgical recovery time.
- **Surgeons and other professionals:** We compete for high quality surgeons and other professionals across the body contouring and cosmetic surgery industry to ensure we are able to continue to provide our patients with a smooth process, premium service, and high quality results.

The principal competitive factors that companies in our industry need to consider include, but are not limited to: enhanced products and services, procedure safety, competitive pricing policies, vision for the market and procedure innovation, strength of sales and marketing strategies, technological advances, brand awareness and reputation, and access to financing. We believe we compete favorably across all of these factors and we have developed a business model that is difficult to replicate.

Surgeon Practice Structure

Due to the prevalence of the corporate practice of medicine doctrine, including in many of the states where we conduct our business, our affiliated surgeons are organized in traditional physician practice group structures.

In accordance with applicable state laws, our surgeons have exclusive control and responsibility for all clinical decision-making and the provision of medical care to patients. The Professional Associations are set up as legal entities, separate from AirSculpt, organized in accordance with applicable state laws regarding the types of entities that may operate a physician practice group. Each of the Professional Associations under which our affiliated surgeons operate is owned by a licensed, qualified physician. Our structure enables more effective and efficient sharing of results among our affiliated surgeons, including with respect to educating and training them as to best demonstrated clinical processes, provides them with access to our sophisticated information systems, and helps to shield us from professional liability.

Each of the Professional Associations contracts with surgeons to provide body contouring services to its patients. Each such surgeon must hold an active license to practice medicine in the state where the applicable Professional Association operates. In most cases, surgeons enter into independent contractor agreements with the applicable Professional Association, under which the surgeon is paid a percentage of the professional fees collected by the Professional Association for each surgery the surgeon personally performs, net of any adjustments for financing fees, patient refunds, or any other allowances applicable to the services provided. A typical agreement with our surgeons will have a term of two to three years. The Professional Associations are generally responsible for billing patients for services rendered by our surgeons. Subject to applicable state laws governing enforceability of restrictive covenants relating to physicians, our surgeons contracted by the Professional Associations have agreed not to compete during the contracted period and have agreed not to use or disclose AirSculpt's proprietary information, including the AirSculpt® procedure, even after the terms of their respective contracts.

Management Services Agreements

We have entered into MSAs with each of the Professional Associations, under which the Company, through its wholly-owned subsidiaries, provides the Professional Associations with exclusive, administrative, management and other business support services, including, but not limited to, billing and collection, accounting, legal, human resources, information technology, compliance and recruiting assistance (the "Management Services"). The Professional Associations retain exclusive control and responsibility for all clinical aspects of the practice of medicine and the delivery of medical services and for contracting with all surgeons and other licensed professionals performing procedures through the Professional Associations. The MSAs are long-term in nature, typically with an initial term of 10 years that automatically renews for successive 5 year terms unless either party provides notice not to renew before the end of the then-current term, subject only to a right of termination in the case of uncured material breach. Under the terms of the MSAs, and subject to state laws and other regulations governing professional fee-splitting, our wholly-owned subsidiaries are typically paid either a flat monthly fee or where permitted, a monthly fee structured as (i) a flat dollar amount for all marketing and advertising advice, assistance, and services provided and (ii) a fee equal to a percentage of the Professional Association's gross revenues for the applicable month. These agreements also generally provide opportunities for supplemental bonuses. In addition, the Professional Associations have also agreed to reimburse us for certain expenses. See "Governmental Regulation—State Corporate Practice of Medicine and Fee-Splitting Laws."

Continuity Agreements

We have entered into Continuity Agreements at all of our Professional Associations, with the exception of New York, with Dr. Rollins and the other Surgeon Owners, whereby they are the sole directors, officers, and owners of the Professional Associations. The Continuity Agreements (i) prohibit the Surgeon Owners from freely transferring or selling their interests in the Professional Associations, (ii) provide for the ability to add a second Surgeon Owner to help ensure continuity of the Professional Association, and (iii) provide that the ownership interests of the Surgeon Owners will automatically be transferred to another licensed professional designated by us in accordance with the terms of the Continuity Agreement upon the occurrence of certain events, which include, but are not limited to, the Surgeon Owner's death, the termination of the Surgeon Owner's employment, the Surgeon Owner's license to practice medicine being revoked or terminated, the Surgeon Owner filing a petition for bankruptcy, the Surgeon Owner becoming indicted for or convicted of any felony or any misdemeanor offense involving moral turpitude, the Surgeon Owner breaching any provision of the Continuity Agreement, the Surgeon Owner's gross negligence, willful misconduct or fraud with respect to the Professional Association, and the Surgeon Owner's disability or incapacity.

Each Continuity Agreement will remain in effect until it is terminated (i) by written agreement signed by or on behalf of each party, (ii) upon the 21-year anniversary of the death of the Surgeon Owner, or (iii) only by the manager (being our wholly-owned subsidiaries), upon at least 30 days prior written notice of such termination to the Professional Association.

Governmental Regulation

Our business and the healthcare industry generally are highly regulated. A number of states, including states in which we operate, such as California, Massachusetts, and New York have passed recent legislation that are materially increasing the scrutiny of investors investing in for-profit health care providers, which could ultimately impact our existing structure. While we believe that we have structured our agreements and operations in material compliance with applicable healthcare laws and regulations, there can be no assurance that we will be able to successfully address changes in the current regulatory environment or changes in interpretation of existing laws and regulations. We believe that our business operations materially comply with applicable healthcare laws and regulations. However, some of the healthcare laws and regulations applicable to us are subject to limited or evolving interpretations, and a review of our business or operations by a court, law enforcement or a regulatory authority might result in a determination that could have a material adverse effect on us. Furthermore, the healthcare laws and regulations applicable to us may be amended or interpreted in a manner that could have a material adverse effect on our business, prospects, results of operations and financial condition.

Licensing, Medical Practice, Certification

The practice of medicine, including the performance of surgery, is subject to various federal, state and local certification and licensing laws, regulations, approvals and standards, relating to, among other things, the adequacy of medical care, the practice of medicine (including the provision of remote care and consultations), equipment, personnel, operating policies and procedures, prerequisites for the prescription of medication, ordering tests and other professional services.

Physicians, surgeons and licensed professionals who provide professional medical services to patients must hold a valid license to practice medicine or otherwise be certified or qualified to provide the licensed professional service in the state in which the patient is located. Failure to comply with these laws and regulations could result in licensure actions against the professionals, rendered services being found to be non-reimbursable, or prior payments being subject to recoupments and can give rise to civil, criminal or administrative penalties. Our centers are operated as physician office-based practices, which generally rely on the licenses of the surgeons performing medical services through the affiliated Professional Associations at our locations, as well as other permits and licenses including CLIA certifications, medical waste permits, and local operating permits. Some states also require the applicable Professional Association to hold its own clinic license or permit. Through the affiliated Professional Associations, we voluntarily seek accreditation from The Joint Commission for all of our centers in the United States. The Joint Commission is a not-for-profit with over 70 years of experience in health care accreditation. Accreditation and certification for each of our centers requires an on-site evaluation of the quality and safety of patient care. A leading nationally-recognized accreditation, for an office-based practice, demonstrates our commitment to safety and quality. Our ability to operate profitably will depend in part upon our centers, the affiliated Professional Associations and their surgeons obtaining and maintaining all necessary licenses and other approvals and operating in compliance with applicable healthcare regulations. Failure to do so could have a material adverse effect on our business.

Our centers are subject to other federal, state and local laws dealing with issues such as occupational safety, employment, medical leave, insurance regulations, civil rights, discrimination, building codes and other environmental issues. Federal, state and local governments are expanding the regulatory requirements on businesses like ours. The imposition of these regulatory requirements may have the effect of increasing operating costs and reducing the profitability of our operations.

State Corporate Practice of Medicine and Fee-Splitting Laws

The laws in many of the states in which we operate or may in the future operate, prohibit entities owned by non-physicians from practicing medicine, exercising control over surgeons, employing surgeons or otherwise interfering with the independent professional judgment of surgeons. This prohibition on the corporate practice of medicine, is intended to prevent unlicensed persons from interfering with the practice of medicine by licensed surgeons or interfering in any way with the independent professional judgment of physicians as it pertains to patient treatment and related clinical matters. Activities other than those directly related to the delivery of healthcare may be considered an element of the practice of medicine in many states. In certain states where we currently, or in the future, may operate, the corporate practice of medicine doctrine and other licensed professions restrictions may be implicated by decisions and activities such as contracting, setting rates and the hiring and management of clinical or licensed personnel. Many states also have regulations that prevent professional fee-splitting, which is the unlawful sharing of professional fees with unlicensed persons or entities owned by unlicensed persons, often in connection with referrals or other business generated by such persons. Corporate practice of medicine and fee splitting laws and rules vary from state to state and are not always consistent. In addition, these requirements are subject to broad interpretation and enforcement by state regulators. Thus, regulatory authorities or other persons, including the Professional Associations' contracted surgeons, may assert that, notwithstanding the careful structuring of our management arrangements, that we are engaged in the corporate practice of medicine or that the fees earned by us under our contractual arrangements with the Professional Associations constitute unlawful fee splitting. In such event, failure to comply could lead to adverse judicial or administrative action against us and/or our surgeons, civil, criminal or administrative penalties, receipt of cease and desist orders from state regulators, loss of provider licenses, the need to make changes to the terms of engagement with the Professional Associations (or their terms of engagement with their contracted surgeons), in each case that interfere with our business, our profitability and may have other materially adverse consequences.

Healthcare Fraud and Abuse Laws

Even though our services are not currently covered by any government healthcare program or other third-party payor, the laws in some of the states in which we operate, or may in the future operate, prohibit surgeons and other healthcare providers from referring patients to centers in which the surgeon or other healthcare provider has a financial interest unless an exception applies or providing any form of remuneration or a "kickback" for referrals of patients for medical items or services. Some state fraud and abuse laws apply to items or services reimbursed by any payor, including patients and commercial insurers, not just those reimbursed by a federally funded healthcare program. Because of the breadth of these laws and the narrowness of available statutory and regulatory exceptions, it is possible that some of our business activities could be subject to challenge under one or more of such laws. If we or our operations are found to be in violation of any of these laws or any other governmental regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, imprisonment and the curtailment or restructuring of our operations, any of which could materially adversely affect our ability to operate our business and our financial results.

Antitrust Laws

The federal government and most states have enacted antitrust laws that prohibit certain types of conduct deemed to be anti-competitive. These laws prohibit price fixing, concerted refusal to deal, market monopolization, price discrimination, tying arrangements, acquisitions of competitors and other practices that have, or may have, an adverse effect on competition. Violations of federal or state antitrust laws can result in various sanctions, including criminal and civil penalties. Antitrust enforcement in the healthcare industry is currently a priority of the Federal Trade Commission (the "FTC"). We believe we are in compliance with federal and state antitrust laws, but courts or regulatory authorities may reach a determination in the future that could have a material adverse effect on our business, prospects, results of operations and financial condition.

Employees

As of December 31, 2024, we employed approximately 389 full-time employees and approximately 33 part-time employees. We also had contracts with approximately 97 surgeons. While each center varies depending on its size, case volume and case types, we employ an average of approximately 10 full-time equivalent employees at our centers.

While we provide "full-time equivalent" information, a number of our employees work on flexible schedules rather than full-time, which increases our staffing efficiency. As a result, these employees also do not participate in our benefits structure, which we believe reduces the relative cost of our benefits plans to us. None of our employees is represented by a collective bargaining agreement.

Additional Information

The Company was founded by Dr. Rollins in 2012 and reorganized in 2018 as part of the acquisition by our Sponsor of a majority stake in the company prior to the IPO. AirSculpt Technologies, Inc. was incorporated in Delaware on June 30, 2021 and completed an IPO on October 28, 2021.

Our website address is www.airsculpt.com and our investor relations website is located at <https://investors.airsculpt.com>. The information posted on our website is not incorporated into this Annual Report. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) are available free of charge on our investor relations website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the U.S. Securities and Exchange Commission (“SEC”).

Item 1A. Risk Factors

We are subject to risks and uncertainties that could cause our actual financial condition, results of operations, business and prospects to differ materially from those contemplated by the forward-looking statements contained in this report or our other filings with the SEC. Some of these risks and uncertainties are discussed below. If any of the following risks, or other risks and uncertainties, actually occurred, our business, financial condition and operating results could suffer.

The following is a summary of some of these risks:

Risk Factors Summary

We are providing the following summary of the risk factors contained in this Annual Report on Form 10-K to enhance the readability and accessibility of our risk factor disclosures. We encourage you to carefully review the full risk factors contained in this Annual Report on Form 10-K in their entirety for additional information regarding the material factors that make an investment in our securities speculative or risky. These risks and uncertainties include, but are not limited to, the following:

Risks Related to Our Business

- Our operating results could be adversely affected if we are unable to successfully implement certain cost savings initiatives and revenue growth strategies.
- Macroeconomic trends including inflation and rising interest rates may adversely affect our financial condition and results of operations.
- We have a limited operating history and our past results may not be indicative of our future performance.
- Our success depends on our ability to maintain the value and reputation of the AirSculpt® brand.
- We have grown rapidly in recent years and have limited operating experience at our current scale of operations.
- Our financial results will be harmed if there is not sufficient patient demand for AirSculpt® procedures.
- Our success depends largely upon patient satisfaction with the effectiveness of the AirSculpt® procedure.
- We may fail to open and operate new centers in a timely and cost-effective manner.
- We may not be able to successfully continue to expand in markets outside of North America.
- If our competitors are able to develop and market solutions that are safer, more effective, easier to use or more readily adopted by patients and healthcare providers, our commercial opportunities may be reduced or eliminated.
- Our business, financial condition and results of operations could be adversely affected by disruptions in the global economy resulting from the ongoing military conflict between Russia and Ukraine.
- Use of social media may materially and adversely affect our reputation or subject us to fines or other penalties.
- Our business relies heavily on email and other messaging services, and any restrictions on the sending of emails or messages or an inability to timely deliver such communications could materially adversely affect our net revenue and business.
- Changes in laws and regulations related to the internet, perceptions toward the use of social media and changes in internet infrastructure itself may diminish our ability to drive new customer acquisition.
- Regulations related to healthcare may hamper our availability to provide virtual consultations.
- We face competition for surgeons and other workers that provide our medspa and cosmetic services.
- We outsource the manufacturing of key elements of the tools we use for AirSculpt® procedures to a single third-party manufacturer, Euromi, who is dependent upon third-party suppliers.
- In some jurisdictions, we are precluded or limited in our ability to enter into non-compete agreements with our surgeons.
- Our centers and our affiliated Professional Associations may become subject to medical liability claims.
- Our revenue could decline due to changes in credit markets and decisions made by credit providers.
- We may be adversely affected if we lose any member of our senior management.
- The interests of our Sponsor may conflict with the interests of the Company and its other stockholders.
- Our leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and expose us to interest rate risk.
- Restrictive covenants in our debt instruments may adversely affect us.
- Any failure to meet our debt service obligations could have a material adverse effect on our business, prospects, results of operations and financial condition.
- We are a holding company with no operations of our own.
- Our variable rate debt exposes us to risks associated with rising interest rates, which could adversely affect our cash flows.
- If there is a change in accounting standards by the Financial Accounting Standards Board or the interpretation thereof affecting consolidation of entities, it could have a material adverse effect on our consolidation of total revenue derived from the Professional Associations.
- Our management team has limited experience managing a public company.

- Our centers may be adversely impacted by weather and other factors beyond our control, and disruptions in our disaster recovery systems or management continuity planning could limit our ability to operate our business effectively.
- Use and storage of paper medical records increases risk of loss, destruction and could increase human error with respect to documentation and patient care.
- Our internal computer systems, or those of any of our manufacturers, other contractors, consultants, or collaborators, may fail or suffer security or data privacy breaches or other unauthorized or improper access to, use of, or destruction of our proprietary or confidential data, employee data, or personal data.
- Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business or our patients, or prevent us from accessing critical information or systems and expose us to liability, and could adversely affect our business and our reputation.

Risks Related to Intellectual Property

- Our competitors could develop and commercialize procedures and products similar or identical to ours.
- We may become a party to intellectual property litigation or administrative proceedings that could be costly and could interfere with our ability to market and perform our services.
- If we are unable to protect the confidentiality of our other proprietary information, our business and competitive position may be harmed.
- We may not be able to protect our intellectual property rights throughout the world to the same extent as in the United States.

Risks Related to Government Regulations

- If we fail to comply with numerous laws and regulations relating to the operation of our centers, we could incur significant penalties or other costs or be required to make significant changes to our operations.
- AirSculpt® procedures may cause or contribute to adverse medical events that we are required to report to the FDA and if we fail to do so, we could be subject to sanctions that would materially harm our business.
- If laws governing the corporate practice of medicine or fee-splitting change, we may be required to restructure some of our relationships.
- We may be subject to various federal and state laws pertaining to healthcare fraud and abuse, including anti-kickback, self-referral, false claims and fraud laws, and any violations by us of such laws could result in fines or other penalties.
- We are subject to numerous environmental, health and safety laws and regulations, and must maintain licenses or permits, and non-compliance with these laws, regulations, licenses, or permits may expose us to significant costs or liabilities.
- Certain risks are inherent in providing prescription and over the counter (“OTC”) treatments, and our insurance may not be adequate to cover any claims against us.
- We are subject to rapidly changing and increasingly stringent laws, regulations, industry standards, and other obligations relating to privacy, data protection, and data security. The restrictions and costs imposed by these requirements, or our actual or perceived failure to comply with them, could materially harm our business.

Risks Related to Ownership of Our Common Stock

- We are an “emerging growth company,” and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.
- Our stock price could be extremely volatile, and, as a result, you may not be able to resell your shares at or above the price you paid for them.
- There may be sales of a substantial amount of our common stock by our current stockholders, and these sales could cause the price of our common stock to fall.
- Certain of our directors and executive officers hold a substantial portion of our common stock, which may lead to conflicts of interest with other stockholders over corporate transactions and other corporate matters.
- Provisions in our charter documents and Delaware law may deter takeover efforts that could be beneficial to stockholder value.
- We have no plans to pay cash dividends on our common stock for the foreseeable future.
- Our internal controls may not be effective.
- The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business.
- Our stock price and trading volume could decline if securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business.
- We may be subject to securities litigation, which is expensive and could divert management attention.

Risks Related to Our Business

Our operating results could be adversely affected if we are unable to successfully implement certain cost savings initiatives and revenue growth strategies.

In response to the decline in revenue we experienced during the 2024 fiscal year, we are in the process of implementing certain cost-savings initiatives and revenue growth strategies, which are discussed in further detail under the captions “Our Company,” “National and International Footprint Fueled by Attractive Unit Economics,” “Our Growth Strategies,” and “Our Marketing and Sales Efforts and Third-Party Financing” included in Item 1 of this Annual Report on Form 10-K. We may not realize in full or in part, or within the time periods expected, the anticipated savings or benefits from one or more of the various strategies and cost-savings initiatives undertaken as part of these efforts. We also may not realize the increase in sales we expect in connection with these strategies. Our ability to improve operating results depends upon a significant number of factors, some of which are beyond our control. Other events and circumstances, such as financial and strategic difficulties and delays, unexpected costs, the impact of non-surgical methods of fat reduction, including weight-loss drugs, on the demand for our procedures, or inflationary pressures, may occur which could result in not realizing targets or in offsetting the financial benefits of reaching those targets. We may also experience a decline in revenue in the short-term, as part of the implementation of our cost-savings initiatives and revenue growth strategies, with the goal of progressing toward positive revenue and profit growth in the long-term. We are also subject to the risks of labor unrest, negative publicity and business disruption in connection with these initiatives, and the failure to realize anticipated savings or benefits from such initiatives or to implement our growth strategies could have a material adverse effect on our business, prospects, financial condition, liquidity, results of operations and cash flows.

Macroeconomic trends including inflation and rising interest rates may adversely affect our financial condition and results of operations.

Macroeconomic trends, including increases in inflation and rising interest rates, may adversely impact our business, financial condition and results of operations. Rising inflation could have an adverse impact on our operating expenses and our credit facilities and there is no guarantee that we would be able to mitigate its impact. Increases in interest rates on any of our debt will result in higher debt service costs, which will adversely affect our cash flows. We cannot assure you that our access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of future borrowings. Such future constraints could increase our borrowing costs, which would make it more difficult or expensive to obtain additional financing or refinance existing obligations and commitments, which could slow or deter future growth.

We have a limited operating history and our past results may not be indicative of our future performance. Further, our revenue growth rate is likely to slow as our business and our market matures.

We began operations in 2012. We have a limited history of generating revenue. As a result, our historical revenue growth should not be considered indicative of our future performance. In particular, we have experienced periods of high revenue growth, including during the global pandemic, that we do not expect to continue as the business, and the body contouring market, mature. Estimates of future revenue trends are subject to many risks and uncertainties and our future revenue may differ materially from our projections. We have encountered, and will continue to encounter, risks and difficulties frequently experienced by growing companies in rapidly changing industries, including market acceptance of our procedures, attracting new patients, hiring surgeons and responding to increasing competition and expenses as we expand our business. We cannot be sure that we will be successful in addressing these and other challenges we may face in the future, and our business may be adversely affected if we do not manage these risks.

Our success depends on our ability to maintain the value and reputation of the AirSculpt® brand.

We believe that our brand is important to attracting patients and high-quality surgeons. Maintaining, protecting, and enhancing our brand depends largely on our ability to deliver results for our patients and the success of our marketing efforts. We believe that the importance of our brand will increase as competition further intensifies. Our brand could be harmed if we fail to achieve these objectives or if our public image were to be tarnished by negative publicity. Unfavorable publicity about us, including our procedures and technology, could diminish confidence in the AirSculpt® brand. Such negative publicity also could have an adverse effect on our business, financial condition, and operating results.

We have grown rapidly in recent years and have limited operating experience at our current scale of operations. If we are unable to manage and capitalize on our scale effectively, our brand, company culture, and financial performance may suffer.

We have expanded rapidly and have limited operating experience at our current size. To effectively manage and capitalize on our scale, we must focus on innovation and upgrade our management information systems and other processes. Future growth could strain our existing resources and we could experience ongoing operating difficulties in managing our

business across numerous jurisdictions, including difficulties in hiring, training, and managing surgeons and other staff in our centers through the Professional Associations. Failure to scale and preserve our high-performance, client-focused culture could delay or prevent future success. If we do not adapt to meet these evolving challenges or if our management team does not effectively scale, we may experience erosion to our brand and our company culture may be harmed.

While we do not expect to open new centers in the next year, our long-term growth strategy contemplates expanding our footprint opportunistically by opening new centers. Many of our centers are relatively new and we cannot assure you that these centers or that future centers will generate revenue comparable with those generated by our more mature locations, especially as we move to new geographic markets. Further, many of our centers are leased pursuant to multi-year leases, and our ability to negotiate favorable terms on an expiring lease or for a lease renewal option may depend on factors that are not within our control. Opportunistically expanding our footprint will require significant expenditures before any substantial associated revenue is generated and we cannot guarantee that these investments will result in corresponding and offsetting revenue growth.

Our opportunistic expansions, if and when they occur, could place increased demands on our existing operational, managerial, and administrative resources. These increased demands could strain our resources and cause us to operate our business less effectively, which in turn could cause the performance of our new and existing centers to suffer. Opening new centers could result in inadvertent oversaturation, temporarily or permanently divert customers from our existing centers to new centers and reduce comparable centers revenue, thus adversely affecting our overall financial performance. In addition, oversaturation or the risk of oversaturation could reduce or adversely affect the number or location of centers we plan to open, and could thereby materially and adversely affect our long-term growth plans overall or in particular markets.

Because we have a limited history operating our business at its current scale, it is difficult to evaluate our current business and future prospects, including our ability to plan for and model long-term future growth. Our limited operating experience at this scale, combined with the rapidly evolving nature of the body contouring market, substantial uncertainty concerning how these markets may develop, and other economic factors beyond our control, reduces our ability to accurately forecast quarterly or annual revenue. Failure to manage our long-term future growth effectively and profitably could have an adverse effect on our business, financial condition, and operating results.

We are dependent upon the success of the AirSculpt® body sculpting procedure. If market acceptance for the AirSculpt® procedure fails to grow significantly, our business and future prospects could be harmed.

We commenced performing AirSculpt® procedures in 2012, and we expect that the revenue we generate from performing AirSculpt® procedures will account for substantially all of our revenue for the next several years. Accordingly, our success depends on the acceptance among patients of the AirSculpt® procedure as a preferred aesthetic treatment for the selective reduction of fat. The degree of market acceptance of the AirSculpt® procedure by patients is unproven. We believe that market acceptance of the AirSculpt® procedure will depend on many factors, including:

- the perceived advantages or disadvantages of AirSculpt® procedures compared to other aesthetic products and treatments;
- the safety and efficacy of AirSculpt® procedures relative to other aesthetic products and alternative treatments;
- the price of AirSculpt® procedures relative to other aesthetic products and alternative treatments;
- our success in expanding our sales and marketing organization;
- the effectiveness of our marketing initiatives;
- our success in maintaining the premium pricing for the AirSculpt® procedure; and
- our success in recruiting and training surgeons in the proper use of the AirSculpt® procedure and selection of appropriate patients as candidates for AirSculpt® procedures.

Further, market acceptance and success of the AirSculpt® procedure can be affected by adverse publicity or negative public perception about us, our competitors, our patients, our services, or our industry generally. Adverse publicity may include publicity about the cosmetic treatment industry generally, the efficacy, safety and quality of body fat reduction procedures in general, and liability claims or other litigation, regardless of whether such litigation involves us or the business practices or services of our competitors. Our business, financial condition and results of operations could be adversely affected if the AirSculpt® procedure or any body fat reduction services provided by our competitors are alleged to be or are proved to be harmful to patients or to have unanticipated and unwanted health consequences.

We cannot assure you that the AirSculpt® procedure will achieve broad market acceptance among patients. Because we expect to derive substantially all of our revenue for the foreseeable future from AirSculpt® procedures, any failure of this product to satisfy patient demand or to achieve meaningful market acceptance will harm our business and future prospects.

If there is not sufficient patient demand for AirSculpt® procedures, our financial results and future prospects will be harmed.

The AirSculpt® procedure is an elective procedure, the cost of which must be borne by the patient, and is not reimbursable through government or private health insurance. The decision to undergo an AirSculpt® procedure is thus driven by patient demand, which may be influenced by a number of factors, such as:

- the success of our sales and marketing programs;
- our success in attracting consumers who have not previously undergone an aesthetic procedure;
- the extent to which the AirSculpt® procedure satisfies patient expectations;
- our ability to properly train our surgeons in performing AirSculpt® procedures such that our patients do not experience excessive discomfort during treatment or adverse side effects;
- the cost, safety, and effectiveness of AirSculpt® procedures versus other aesthetic treatments;
- consumer sentiment about the benefits and risks of aesthetic procedures generally and the AirSculpt® procedure in particular;
- general consumer confidence, which may be impacted by economic and political conditions;
- our use of social media to drive new customer acquisition; and
- our ability to offer virtual consultations to our patients.

Our financial performance will be materially harmed in the event we cannot generate significant patient demand for the AirSculpt® procedure.

Our success depends largely upon patient satisfaction with the effectiveness of the AirSculpt® procedure.

In order to generate repeat and referral business, patients must be satisfied with the effectiveness of the AirSculpt® procedure. Patient perception of their results may vary. If patients are not satisfied with the aesthetic benefits of the AirSculpt® procedure, or feel that it is too expensive for the results obtained, our reputation and future sales will suffer.

If we fail to operate new centers in a cost-effective manner, our financial performance could be materially and adversely affected.

Our long-term growth strategy depends, in large part, on growing and operating our new centers, including five opened in 2024, both in existing and new geographic regions, particularly in densely populated and affluent metropolitan and suburban regions.

Our ability to successfully operate new centers depends on many factors, including, among others, our ability to:

- recruit qualified surgeons through our affiliated Professional Associations for our new centers;
- address regulatory, competitive, and marketing, and other challenges encountered in connection with expansion into new markets;
- hire, train and retain surgeons and other personnel through our affiliated Professional Associations;
- maintain adequate information system and other operational system capabilities;
- successfully integrate new centers into our existing management structure with affiliated Professional Associations and operations, including information system integration;
- source sufficient levels of medical supplies at acceptable costs;
- obtain and maintain necessary permits and licenses through our affiliated Professional Associations;
- generate sufficient levels of cash or obtain financing on acceptable terms to support our expansion;
- achieve and maintain brand awareness in new markets; and
- identify and satisfy the needs and preferences of our patients.

Our failure to effectively address challenges such as these could adversely affect our ability to successfully operate new centers in a cost-effective manner.

In addition, there can be no assurance that newly-opened centers will achieve net sales or profitability levels comparable to those of our existing centers in the time periods estimated by us, or at all. If our centers fail to achieve, or are unable to sustain, profitability levels, our business may be materially harmed and we may incur significant costs associated with closing those centers.

Accordingly, we cannot assure you that we will achieve our planned growth or, even if we are able to grow our centers as planned, that our new centers will perform as expected. Our failure to implement our growth strategy and to successfully operate new centers at the costs estimated by us could have a material adverse effect on our business, financial condition and results of operations.

If we cannot maintain our high-performance and client-focused culture as we grow, we could lose the innovation and passion that we believe contribute to our success and our business may be harmed.

We believe that a critical component of our success has been our corporate culture. We have invested substantial time and resources in building our high-performance, client-focused culture. We will need to maintain our high-performance, client-focused culture among a larger number of surgeons and other employees, dispersed across various geographic regions. Any failure to preserve our culture could negatively affect our future success, including our ability to retain and recruit surgeons and other personnel on behalf of our affiliated Professional Associations and to effectively focus on and pursue our corporate objectives.

To successfully continue to grow in markets outside of North America, we must address many issues with which we have limited experience.

Continued international operation is subject to a number of risks, including:

- difficulties in staffing and managing our international operations;
- increased competition as a result of more procedures receiving regulatory approval or otherwise freedom to market in international markets;
- reduced or varied protection for intellectual property rights in some countries;
- foreign tax laws;
- fluctuations in currency exchange rates;
- foreign certification and regulatory clearance or approval requirements;
- difficulties in developing effective marketing campaigns in unfamiliar foreign countries;
- geopolitical events (such as Russian invasion of Ukraine), social and economic instability abroad, terrorist attacks, and security concerns in general;
- potentially adverse tax consequences, including the complexities of foreign value-added tax systems, tax inefficiencies related to our corporate structure, and restrictions on the repatriation of earnings;
- the burdens of complying with a wide variety of foreign laws and different legal standards; and
- increased financial accounting and reporting burdens and complexities.

If one or more of these risks were realized, it could require us to dedicate significant financial and management resources and our revenue may decline.

The market in which we operate is highly competitive. In addition to competing with body contouring companies, we also compete with companies that make weight loss drugs and offer other weight loss solutions. If our competitors are able to develop and market solutions that are safer, more effective, easier to use or more readily adopted by patients and healthcare providers, our commercial opportunities may be reduced or eliminated.

The body contouring market is highly competitive and dynamic and is characterized by rapid and substantial technological development and product innovations. Demand for the AirSculpt® procedure could be limited by the products and technologies offered by our competitors. In the United States, we compete against companies that have developed non-invasive and other minimally-invasive procedures for body contouring, companies that have developed invasive surgical procedures for fat reduction and companies that offer non-surgical methods of fat reduction, including weight-loss drugs, and other weight loss solutions. Due to less stringent regulatory requirements, there are many more aesthetic products and procedures available for use in international markets than are approved for use in the United States. There are also fewer limitations on the claims our competitors in international markets can make about the effectiveness of their products and the manner in which they can market them. As a result, we face even greater competition in these markets than in the United States. Further, our patent protection of AirSculpt® is limited to the United States, and therefore we may face increased competition from competitors using procedures similar to the AirSculpt® procedure in other countries.

Many of our competitors are large, experienced companies that have substantially greater resources and brand recognition than we do. Some of these competitors offer similar procedures (including competitors who may charge less for such procedures than we do) and others offer alternative procedures and products, including non-surgical weight loss and obesity solutions, that are less expensive than the procedures we offer. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies.

We have significant exposure to the weight loss and obesity solutions market, which is highly competitive, subject to rapid change and significantly affected by new product introductions, results of clinical research, corporate combinations, and other factors relating to the weight loss industry. Because of the market opportunity and the high growth potential of the market for weight loss and obesity solutions, existing and potential competitors have historically dedicated, and will

continue to dedicate, significant resources to aggressively develop and commercialize their products. For example, in 2023, certain drugs initially approved for use in diabetes patients gained market acceptance for use in weight loss treatment following FDA approvals for weight loss indications.

As of the date of this report, it is difficult to predict the long-term market impact of weight-loss drugs, including their long-term efficacy as weight loss drugs and potential drawbacks. As a result, we cannot be certain that our procedures will continue to be competitive with current or future technologies and medical advances in the weight loss and obesity solutions market.

Our success depends on our ability to enhance our current procedures and technologies, and develop and market new procedures, to keep pace with technological developments and evolving industry standards, while responding to changes in patient expectations. If our competitors are able to develop and market solutions that are safer, more effective, easier to use or more readily adopted by patients and healthcare providers, our commercial opportunities may be reduced or eliminated. Competing in the body contouring market and the spread of non-surgical weight loss and obesity solutions could result in price-cutting, reduced profit margins, and reduced market share, any of which would harm our business, financial condition, and results of operations.

Our business, financial condition and results of operations could be adversely affected by disruptions in the global economy resulting from the ongoing military conflict between Russia and Ukraine.

The global economy has been negatively impacted by increasing tension, uncertainty and tragedy resulting from ongoing military conflict between Russia and Ukraine. The adverse and uncertain economic conditions resulting therefrom have and may further negatively impact global demand, cause supply chain disruptions and increase costs for transportation, energy and other raw materials. Furthermore, governments in the United States, the European Union, the United Kingdom, Canada and others have imposed financial and economic sanctions on certain industry segments and various parties in Russia and Belarus. We are monitoring the conflict including the potential impact of financial and economic sanctions on the global economy. Increased trade barriers, sanctions and other restrictions on global or regional trade could adversely affect our business, financial condition and results of operations. The length and impact of the ongoing military conflict is highly unpredictable, and resulted in market disruptions, including significant volatility in commodity prices, credit and capital markets, an increase in cyber security incidents as well as supply chain disruptions. Further escalation of geopolitical tensions related to this military conflict and/or its expansion could result in increased volatility and disruption to the global economy and the markets in which we operate adversely impacting our business, financial condition or results of operations.

Use of social media may materially and adversely affect our reputation or subject us to fines or other penalties.

We use third-party social media platforms as marketing tools. For example, we maintain Facebook, Instagram and YouTube accounts and we offer consumers the opportunity to comment on our social media platforms. Negative commentary or false statements may be posted on our social media platforms, which could be adverse to our reputation or business. Our target consumers often value readily available information and often act on such information without further investigation and without regard to its accuracy. The harm may be immediate without affording us an opportunity for redress or correction.

As social media platforms continue to rapidly evolve, we must continue to maintain a presence on these platforms and establish presences on new or emerging popular social media platforms. If we are unable to cost-effectively use social media platforms as marketing tools, our ability to acquire new consumers and our financial condition may suffer. Furthermore, as laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by the Company, our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of these platforms and devices could subject us to regulatory investigations, class action lawsuits, liability, fines or other penalties and have a material adverse effect on our business, financial condition and result of operations.

In addition, an increase in the use of social media for marketing may cause an increase in the burden on us to monitor compliance of such materials and increase the risk that such materials could contain problematic marketing claims in violation of applicable regulations.

Our business relies heavily on email and other messaging services, and any restrictions on the sending of emails or messages or an inability to timely deliver such communications could materially adversely affect our net revenue and business.

Our business depends on email and other messaging services for promoting our brand and services. If we are unable to successfully deliver emails or other messages to potential customers, or if potential customers decline to open or read our messages, our business, financial condition and results of operations may be materially adversely affected. Changes in how web and mail services block, organize and prioritize email may reduce the number of subscribers who receive or open our

emails. For example, Google's Gmail service has a feature that organizes incoming emails into categories (for example, primary, social and promotions). Such categorization or similar inbox organizational features may result in our emails being delivered in a less prominent location in a subscriber's inbox or viewed as "spam" by our subscribers and may reduce the likelihood of that subscriber reading our emails. Actions by third parties to block, impose restrictions on or charge for the delivery of emails or other messages could also adversely impact our business. From time to time, Internet service providers or other third parties may block bulk email transmissions or otherwise experience technical difficulties that result in our inability to successfully deliver emails or other messages to consumers.

Changes in the laws or regulations that limit our ability to send such communications or impose additional requirements upon us in connection with sending such communications would also materially adversely impact our business. Our use of email and other messaging services to send communications to consumers may also result in legal claims, which may cause increased expenses, and if successful might result in fines and orders with costly reporting and compliance obligations or might limit or prohibit our ability to send emails or other messages. We also rely on social networking messaging services to send communications and to encourage consumers to send communications. Changes to the terms of these social networking services to limit promotional communications, any restrictions that would limit our ability or our consumers' ability to send communications through their services, disruptions or downtime experienced by these social networking services or decline in the use of or engagement with social networking services by consumers could materially and adversely affect our business, financial condition and results of operations.

Changes in laws and regulations related to the internet, perceptions toward the use of social media and changes in internet infrastructure itself may diminish our ability to drive new customer acquisition and could adversely affect our business and results of operations.

The success of our business depends upon the continued use of the internet and social media networks. Federal, state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees or other charges for accessing the internet, generally. These laws, taxes, fees or charges could limit the use of the internet or decrease the demand for internet-based solutions.

The public's increasing concerns about data privacy and security and the use of social media may negatively affect the use or popularity of social media networks, and, in turn, adversely affect our business. Similarly, enhanced scrutiny may lead to an increase in regulation of social media, which could limit our ability to use social media to drive our brand awareness and increase consumer acceptance for our procedures.

In addition, the use of the internet as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease-of-use, accessibility and quality of service. The performance of the internet and its acceptance as a business tool have been adversely affected by "viruses," "worms" and similar malicious programs, as well as the risks associated with other types of security breaches. If the use of the internet is reduced as a result of these or other issues, then the reduction in marketing and networking with respect to our services and patients could result in a decline in demand for the AirSculpt[®] procedure, which could adversely affect our revenue, business, results of operations and financial condition.

Regulations related to healthcare, including telehealth, are evolving. To the extent regulations change, our ability to provide virtual consultations could be hampered.

In a regulatory climate that is uncertain, our operations and our arrangements with our affiliated Professional Associations may be subject to direct and indirect adoption, expansion or reinterpretation of various laws and regulations. Compliance with these future laws and regulations may require us to change our practices at an undeterminable and possibly significant initial monetary and recurring expense. These additional monetary expenditures may increase future overhead, which could have a material adverse effect on our results of operations and our ability to provide virtual services in certain jurisdictions. Areas of government regulation that, if changed, could be costly to us include rules governing the provision of virtual consultations.

In addition, a few states have imposed different, and, in some cases, additional, standards regarding the provision of virtual medical consultations and telehealth, generally. The unpredictability of this regulatory landscape means that sudden changes in policy regarding standards of care and what is permissible are possible. If a successful legal challenge or an adverse change in the relevant laws or regulations were to occur, and we were unable to adapt our business model accordingly, our operations in the affected jurisdictions or ability to reach patients in such jurisdictions would be disrupted, which could have a material adverse effect on our business, financial condition and results of operations. If we are required to adapt our business model, we may be limited to only in-person services, which may have a material adverse effect on our business, financial condition and results of operations.

We face competition for surgeons.

The number of surgeons available to work through our affiliated Professional Associations at our centers is finite, and we face intense competition from other cosmetic treatment centers in recruiting surgeons to work in our centers.

In addition, there may be other companies that may decide to enter our business. Many of these companies have greater resources than we do, including financial, marketing, staff and capital resources. If we are unable to compete effectively with any of these entities for surgeons, we may be unable to implement our business strategies successfully and our financial position and results of operations could be adversely affected.

We rely on a skilled, licensed labor force to provide our medspa and cosmetic services, and the supply of this labor force is finite. If we cannot hire adequate staff for our clinics, we will not be able to operate.

As of December 31, 2024, we employed approximately 389 full-time employees and approximately 33 part-time employees. Many of our personnel are licensed to perform cosmetic services, including medical treatments, and hold licenses as physicians and nurses. Our success depends, in part, on our continuing ability to identify, hire, develop and retain highly qualified personnel, including surgeons and nurses, through our affiliated Professional Associations. The demand for medical professionals increased significantly during the COVID-19 pandemic and in the following years. Further, even before the COVID-19 pandemic, the demand for medical professionals had been increasing as more consumers began gravitating to health and wellness treatments, such as medspa and cosmetic services. As a result, we have increased, and may continue to increase, the salaries and bonuses for both potential and existing personnel. Additionally, many of the jurisdictions in which we operate our centers have their own licensing or similar requirements applicable to our personnel, and the onboarding and training process for each of our employees and our independent contractors can take several months. If we cannot identify, hire, develop and retain adequate staff for our centers through our affiliated Professional Associations, we will not be able to open new centers on a timely basis or adequately staff existing centers.

Our personnel or others may engage in misconduct or other improper activities, including noncompliance with our policies and procedures.

We are exposed to the risk of misconduct or other improper activities by our personnel. Misconduct by our personnel could include inadvertent or intentional failures to comply with our policies and procedures (such as our data privacy policies), medical standards or procedures, the laws and regulations to which we are subject and/or ethical, social, product, labor and environmental standards. Our current and former personnel may also become subject to allegations of sexual harassment, racial and gender discrimination or other similar misconduct, which, regardless of the ultimate outcome, may result in adverse publicity that could significantly harm our brand, reputation and operations. Misconduct by our personnel could also involve the improper use of information obtained in the course of the associate's prior or current employment, which could result in legal or regulatory action and harm to our reputation.

We outsource the manufacturing of key elements of the tools we use for AirSculpt® procedures to a single third-party manufacturer.

Euromi manufactures the handpiece our surgeons use for AirSculpt® procedures. If the operations of Euromi are interrupted or if they are unable to meet our delivery requirements due to capacity limitations or other constraints, we may be limited in our ability to perform procedures for customers which could harm our reputation and results of operations.

The manufacturing operations of Euromi are themselves dependent upon third-party suppliers, making us vulnerable to supply shortages and price fluctuations, which could harm our business.

The handpieces that our surgeons use for AirSculpt® procedures are currently manufactured by Euromi. We do not have qualified alternate suppliers and rely upon purchase orders, rather than long-term supply agreements. A supply interruption or an increase in demand beyond Euromi's capabilities could harm our ability to perform AirSculpt® procedures until new sources of supply are identified and qualified. Our reliance on a single supplier of handpieces subjects us to a number of risks that could harm our business, including:

- interruption of supply resulting from modifications to or discontinuation of Euromi's operations;
- delays in product shipments resulting from uncorrected defects, reliability issues, or Euromi's variation in a component;
- a lack of long-term supply agreements;
- inability to obtain adequate supply in a timely manner or to obtain adequate supply on commercially reasonable terms;
- difficulty and cost associated with locating and qualifying alternative suppliers for our handpieces in a timely manner;
- production delays related to the evaluation and testing of handpieces from alternative suppliers and corresponding regulatory qualifications; and

- damage to our brand reputation caused by defective handpieces.

Moreover, during the past several years, macroeconomic and geopolitical conditions, as well as outbreaks of COVID-19, have resulted in widespread global supply chain delays and disruptions to vendors, including critical supply shortages, significant material cost inflation and extended lead times for items that are required for our operations. Any such interruptions to our supply chain could increase our costs and could limit the availability of products critical to our operations.

Any interruption in the supply of handpieces, or our inability to obtain substitute handpieces from alternate sources at acceptable prices in a timely manner, could harm our ability to perform AirSculpt® procedures until new sources of supply are identified and qualified.

Some jurisdictions preclude us from entering into non-compete agreements with our surgeons, and other non-compete agreements and restrictive covenants applicable to certain surgeons and other employees may not be enforceable.

We have contracts with surgeons in many states. Some of our services contracts include provisions preventing these surgeons from competing with us. The law governing non-compete agreements and other forms of restrictive covenants varies from state to state. Some jurisdictions prohibit us from entering into non-compete agreements with our professional staff. Other states are reluctant to strictly enforce non-compete agreements and restrictive covenants against surgeons. Therefore, there can be no assurance that our non-compete agreements related to employed or otherwise contracted surgeons will be enforceable if challenged in certain states. In such event, we would be unable to prevent formerly employed or otherwise contracted surgeons from competing with us, potentially resulting in the loss of some of our business.

We may become involved in litigation which could negatively impact the value of our business.

From time to time we are involved in lawsuits, claims, audits and investigations, including those arising out of services provided, personal injury claims, professional liability claims, billing and marketing practices, employment disputes and contractual claims. We may become subject to future lawsuits, claims, audits and investigations that could result in substantial costs and divert our attention and resources and adversely affect our business condition. These lawsuits, claims, audits or investigations, regardless of their merit or outcome, may also adversely affect our reputation and ability to expand our business.

Our centers and our affiliated Professional Associations providing professional services at such centers may become subject to medical liability and other legal claims, which could have a material adverse impact on our business.

The nature and use of our services could give rise to liability, including medical liability claims against our Professional Associations and surgeons, if a customer were injured while receiving our procedures or were to suffer adverse reactions following our procedures. Adverse reactions could be caused by various factors beyond our control. If any of these events occurred, we and our affiliated Professional Associations could incur substantial litigation expense and be required to make payments in connection with settlements of claims or as a result of judgments against us, which could result in substantial damage awards that exceed the limits of our respective insurance coverage. Additionally, any claims made against us could divert the attention of our management and our surgeons from our operations, which could have a material adverse effect on our business, financial condition and results of operations.

In recent years, physicians, hospitals and other healthcare providers have become subject to an increasing number of legal actions alleging malpractice or related legal theories. Many of these actions involve large monetary claims and significant defense costs. We also owe certain defense and indemnity obligations to our officers and directors.

We, the Professional Associations and their surgeons maintain liability insurance in amounts that we believe are customary for the industry and appropriate in light of the risks attendant to our business. As of the date of this Annual Report on Form 10-K, our affiliated Professional Associations maintain professional and general liability insurance that provides coverage on a claims-made basis in a range of \$0.5 million to \$2.0 million per occurrence with a retention of \$50,000 per occurrence and a range of \$1.0 million to \$4.0 million in annual aggregate coverage. We also maintain business interruption insurance and property damage insurance, as well as an additional umbrella insurance policy in the aggregate of \$6.0 million. Coverage under certain of these policies is contingent upon the policy being in effect when a claim is made regardless of when the events which caused the claim occurred. In addition, surgeons who provide professional services in our centers are required to maintain separate malpractice coverage with similar minimum coverage limits. We also maintain a directors' and officers' insurance policy, which insures our directors and officers against unindemnified losses arising from certain wrongful acts in their capacities as directors and officers and reimburses us for those losses for which we have lawfully indemnified the directors and officers.

Our collective insurance coverage may not cover all claims against us. Insurance coverage may not continue to be available at a cost allowing us to maintain adequate levels of insurance. If one or more successful claims against us, our affiliated

Professional Associations or surgeons were not covered by or exceeded the coverage of our insurance, our financial condition and results of operations could be adversely affected. Our business, profitability and growth prospects could suffer if we face negative publicity or we pay damages or defense costs in connection with a claim that is outside the scope or limits of coverage of any applicable insurance coverage, including claims related to adverse patient events, contractual disputes, professional and general liability, and directors' and officers' duties.

In addition, if our costs of insurance and claims increase, then our earnings could decline. Market rates for insurance premiums and deductibles have been steadily increasing. Our earnings and cash flows could be materially and adversely affected by any of the following:

- the collapse or insolvency of our insurance carriers;
- further increases in premiums and deductibles;
- increases in the number of liability claims against us or the cost of settling or trying cases related to those claims; or
- an inability to obtain one or more types of insurance on acceptable terms, if at all.

The health of the economy may affect consumer purchases of discretionary services, such as cosmetic services, which could have a material adverse effect on our business, financial condition and results of operations.

The results of our operations may be materially affected by conditions in the capital and credit markets and the economy generally. We appeal to a wide demographic customer profile for cosmetic services. Uncertainty in the economy could adversely impact customer purchases of discretionary services, including cosmetic services. Factors that could affect customers' willingness to make such discretionary purchases include general business conditions, levels of employment, interest rates, overall inflation, tax rates, the availability of consumer credit, consumer confidence in future economic conditions and risks, or the public perception of risks related to public health crises, including epidemics or pandemics such as the COVID-19 pandemic or other catastrophic events. In the event of a prolonged economic downturn or acute recession, consumer spending habits could be adversely affected and we could experience lower than expected net sales.

In addition, a general deterioration in economic conditions could adversely affect our commercial partners including our vendor partners as well as the real estate developers and landlords who we rely on to construct and operate locations in which our centers are located. A bankruptcy or financial failure of a significant vendor or a number of significant real estate developers or landlords could have a material adverse effect on our business, financial condition, profitability, and cash flows.

Our revenue could decline due to changes in credit markets and decisions made by credit providers.

Historically, approximately half of our patients have financed their procedures through third-party credit providers with whom we have existing relationships. If we are unable to maintain our relationships with our financing partners, there is no guarantee that we will be able to find replacement partners who will provide our patients with financing on similar terms, and our revenue may be adversely affected. Further, reductions in consumer lending and the availability of consumer credit could limit the number of patients with the financial means to purchase our products. Higher interest rates could increase our costs or the monthly payments for consumer products financed through other sources of consumer financing. In the future, we cannot be assured that third-party financing providers will continue to provide patients with access to credit or that available credit limits will not be reduced. Such restrictions or reductions in the availability of consumer credit, or the loss of our relationship with our current financing partners, could have an adverse effect on our business, financial conditions, and operating results.

Our centers are sensitive to regulatory, economic and other conditions in the states and jurisdictions where they are located.

Our revenue is particularly sensitive to regulatory, economic and other conditions in the states and jurisdictions in which we have centers. As of the date of this Annual Report on Form 10-K, we operate through our arrangements with our affiliated Professional Associations thirty-two centers in Arizona, California, Colorado, Florida, Georgia, Illinois, Kansas, Massachusetts, Michigan, Minnesota, Nevada, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, Utah, Washington, and Virginia as well as Toronto, Canada and London, United Kingdom.

In addition, our five centers located in California represented 20% of our revenue in 2024 and 2023. As a result, our business, financial condition and results of operations could be adversely affected by disruptions in the Southern California economy resulting from recent wildfires. We expect that disruptions in the Southern California economy resulting from recent wildfires may impact the demand for our procedures at our five centers located in California, in particular at our center located in Beverly Hills. In the event of any other adverse regulatory, economic or other developments in any of the states and jurisdictions in which we have a higher concentration of centers there could be unanticipated adverse impacts on

our business in those states and jurisdictions, which could have a material adverse effect on our business, prospects, results of operations and financial condition.

We depend on our senior management, and we may be adversely affected if we lose any member of our senior management.

Because our senior management has been key to our success, we are highly dependent on Dr. Aaron Rollins, our founder and Executive Chairman of our board of directors. We do not maintain “key man” life insurance policies on any of our officers. Competition for senior management generally, and within the cosmetic surgery and healthcare industry specifically, is intense and we may not be able to recruit and retain the personnel we need if we were to lose an existing member of senior management. Because our senior management is instrumental to our future success, the loss of key management personnel, without adequate replacements, or our inability to attract, retain and motivate sufficient numbers of qualified management personnel could have a material adverse effect on our financial condition and results of operations.

We rely on Vesey Street Capital Partners, L.L.C., our private equity sponsor and the interests of our Sponsor may conflict with the interests of the Company and its other stockholders.

We have in recent years depended on our relationship with our Sponsor to help guide our business plan. Our Sponsor has significant expertise in financial matters. This expertise was available to us through the representatives our Sponsor has on our board of directors and as a result of our management agreement with an affiliate of our Sponsor (the “Management Agreement”). In connection with the completion of our IPO, the Management Agreement terminated. Daniel Sollof and Adam Feinstein remain on our board of directors and hold contractual rights to seats on our board of directors for as long as our Sponsor maintains certain levels of ownership of our common stock. We have entered into, and may in the future enter into, agreements with our Sponsor which constitute related-party transactions as defined under Item 404 of Regulation S-K, as disclosed in further detail in this Annual Report on Form 10-K under the caption “Certain Relationships and Related Transactions, and Director Independence.” As of the date of this Annual Report on Form 10-K, affiliates of our Sponsor beneficially own 50.1% of our common stock. Affiliates of our Sponsor may elect to reduce their ownership in our Company, which could reduce or eliminate the benefits we have historically achieved through our relationship with it.

Additionally, our Sponsor is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Our Sponsor may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. So long as investment funds associated with or designated by our Sponsor continue to indirectly own a significant amount of our capital stock, even if such amount is less than a majority of our outstanding common stock on a fully-diluted basis, our Sponsor will continue to be able to strongly influence or effectively control our decisions.

Our leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under our outstanding indebtedness.

As of December 31, 2024, total outstanding indebtedness under our senior credit facility was approximately \$75.8 million, consisting of \$70.8 million in term loans (the “Term Loan”) and \$5.0 million drawn on the revolving credit facility (the “Revolver”) (the “Term Loan and Revolving Credit Facility”). Our leverage could have important consequences, including:

- making it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations under any of our debt instruments, including restrictive covenants, could result in an event of default under such instruments;
- making us more vulnerable to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation;
- limiting cash flow available for general corporate purposes, including capital expenditures and opening new centers, because a substantial portion of our cash flow from operations must be dedicated to servicing our debt;
- limiting our ability to obtain additional debt financing in the future for working capital, capital expenditures or opening new centers;
- limiting our flexibility in reacting to competitive and other changes in our industry and economic conditions generally; and
- exposing us to risks inherent in interest rate fluctuations because some of our borrowings will be at variable rates of interest, which could result in higher interest expense in the event of increases in interest rates.

Our ability to pay or to refinance our indebtedness will depend upon our future operating performance, which will be affected by general economic, financial, competitive, legislative, regulatory, business and other factors beyond our control.

On March 12, 2025, the Company, EBS Intermediate Parent LLC, a Delaware limited liability company and wholly-owned subsidiary of the Company (“EBS Parent”), EBS Enterprises LLC, a Delaware limited liability company (“Borrower”), Silicon Valley Bank, a division of First-Citizens Bank & Trust Company, as the administrative agent (“SVB”), and the lenders a party thereto entered into a Third Amendment to Credit Agreement (the “Third Amendment”) in connection with that certain Credit Agreement, dated as of November 7, 2022 (as amended by that certain First Amendment and Limited Waiver to Credit Agreement, dated as of March 9, 2023, by that certain Second Amendment to Credit Agreement, dated as of September 13, 2024, and by the Third Amendment, collectively, the “Credit Agreement”), among the Company, EBS Parent, Borrower, the several banks and other financial institutions or entities from time to time party thereto (each a “Lender” and, collectively, the “Lenders”) and SVB, the form of which was attached as Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the U.S. Securities and Exchange Commission (the “SEC”) on November 9, 2022.

Under the terms of the Third Amendment, the parties thereto agreed to modify certain financial condition covenants made by the Company under the Term Loan and Revolving Credit Facility, such that (i) the Consolidated Fixed Charge Coverage Ratio (as defined in the Credit Agreement) of the Company and its subsidiaries as of the last day of the fiscal quarters ending March 31, 2025 and June 30, 2025 must be no less than 0.50x and 1.10x, respectively, and no less than 1.25x on the last day of the fiscal quarters ending September 30, 2025 and thereafter, instead of 1.10x as of March 31, 2025 and 1.25x as of June 30, 2025 and thereafter, as previously set forth in the Credit Agreement; (ii) the Consolidated Leverage Ratio (as defined in the Credit Agreement) of the Company and its subsidiaries as of the last day of the fiscal quarters ending March 31, 2025, June 30, 2025, September 30, 2025, December 31, 2025 and March 31, 2026, must not exceed 4.25x, 3.50x, 3.25x, 3.25x, and 2.75x, respectively, and the Consolidated Leverage Ratio as of the last day of each fiscal quarter thereafter must not exceed 2.25x, instead of 3.25x as of March 31, 2025, 2.75x as of June 30, 2025, and 2.25x thereafter, as previously set forth in the Credit Agreement; (iii) the Company and its subsidiaries will be required to maintain minimum Liquidity (as defined in the Credit Agreement) of not less than (A) \$3,000,000.00 as of the last day of the month ending March 31, 2025, (B) \$5,000,000 as of the last day of the month ending April 30, 2025, and (C) \$7,500,000.00 as of the last day of the months ending May 31, 2025 and thereafter (or the last day of each fiscal quarter thereafter upon the satisfaction of certain financial tests described therein); and (iv) new liquidity and financial reporting requirements have been added.

In addition to revising the covenants listed above, the Third Amendment revised or added new terms such that (i) for outstanding loans, beginning on or about July 1, 2025 the applicable per annum margin will be increased to 3.75% or 4.75% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 3.00x, 3.50% or 4.50% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.00x and less than 3.00x, and 3.25% or 4.25% for base rate or SOFR, respectively, if the Company's total leverage ratio is below 2.00x, (ii) the Term Loan and Revolving Credit Facility will mature on May 11, 2027 (instead of November 7, 2027); (iii) Liquidity in excess of \$3.0 million will be used to repay the outstanding funds drawn on the revolving credit facility on a monthly basis beginning April 30, 2025; (iv) revolver draws will be subject to compliance with the minimum Liquidity covenant; (v) the Company will be required to reimburse SVB for certain fees and expenses relating to the engagement of a financial advisor, and (vi) 100% of first \$10.0 million of any equity proceeds will be used to repay the Term Loan, and Revolving Credit Facility, subject to a carve-out of the first \$3.0 million of equity proceeds and any equity proceeds received from Sponsor. In consideration of the Third Amendment, the Company paid a fee equal to 0.15% of the outstanding loans to consenting Lenders, and a \$125,000 arrangement fee to SVB. On March 12, 2025, in connection with the Third Amendment, the Company, SVB and our Sponsor (through certain affiliated entities) entered into that certain Limited Guarantee by and among Vesey Street Capital Partners Healthcare Fund, L.P., Vesey Street Capital Partners Healthcare Fund-A, L.P., SVB and the Company (the “Limited Guarantee”), pursuant to which our Sponsor agreed to provide a \$10.0 million guaranty of the Company’s obligations under the Credit Agreement. The Limited Guarantee is callable on June 15, 2025 (or upon the earlier occurrence of certain defaults described therein) if the Company has not prepaid the Term Loan (excluding regularly scheduled amortization) by \$10.0 million as of such date. Under the terms of the Limited Guarantee, if Sponsor is required to make any payment under the Limited Guarantee (other than as a result of a bankruptcy event), then Sponsor will be deemed to have purchased shares of common stock of the Company having an aggregate value equal to the amount of such payment. The Company has agreed to issue a subordinated note to Sponsor if a payment occurs under the Limited Guarantee, to the extent such payment does not result from the issuance of shares of common stock by the Company to Sponsor.

Restrictive covenants in our debt instruments may adversely affect us.

Our Term Loan and Revolving Credit Facility, including the recent Third Amendment, contain various covenants that limit, among other things, our ability and the ability of our restricted subsidiaries to:

- incur additional indebtedness;
- make certain distributions, investments and other restricted payments;
- dispose of our assets;

- grant liens on our assets;
- engage in transactions with affiliates;
- merge, consolidate or transfer substantially all of our assets; and
- make payments to us (in the case of our restricted subsidiaries).

In addition, our Term Loan and Revolving Credit Facility contain other and more restrictive covenants, including covenants requiring us to maintain specified financial ratios triggered in certain situations and to satisfy other financial condition tests. Our ability to meet those financial ratios and tests can be affected by events beyond our control, and we cannot assure you that we will continue to meet those tests. A breach of any of these covenants could result in a default under our Term Loan and Revolving Credit Facility. Upon the occurrence of an event of default under our Term Loan and Revolving Credit Facility, the lenders could elect to declare all amounts outstanding under our Term Loan and Revolving Credit Facility to be immediately due and payable and terminate all commitments to extend further credit. If we were unable to repay those amounts, the lenders could proceed against the collateral granted to them to secure that indebtedness. We have pledged substantially all of our assets, excluding assets of our non-guarantor subsidiaries, as security under our Term Loan and Revolving Credit Facility. If the lenders under our Term Loan and Revolving Credit Facility accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay our Term Loan and Revolving Credit Facility and our other indebtedness.

We cannot assure you that our business will generate sufficient cash flow from operations, that revenue trends and operating improvements anticipated as of the date of this Annual Report on Form 10-K will be realized or that future borrowings will be available to us under our Term Loan and Revolving Credit Facility in amounts sufficient to enable us to pay our indebtedness, or to fund our other liquidity needs. If we are unable to meet our debt service obligations or fund our other liquidity needs, we could attempt to restructure or refinance our indebtedness or seek additional equity capital. We cannot assure you that we will be able to accomplish those actions on satisfactory terms, if at all.

Despite our current indebtedness levels, we and our subsidiaries may still be able to incur more debt, which could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur additional indebtedness in the future, including secured indebtedness. Although the Term Loan and Revolving Credit Facility, including the recent Third Amendment, contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions, and the indebtedness incurred in compliance with these restrictions could be substantial. In addition, as of December 31, 2024 we had no availability under our Revolver. If new debt is added to our or our subsidiaries' current debt levels, the related risks that we face would be increased.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations could have a material adverse effect on our business, prospects, results of operations and financial condition.

Our ability to pay interest on and principal of our debt obligations principally depends upon our operating performance. As a result, prevailing economic conditions and financial, business and other factors, many of which are beyond our control, will affect our ability to make these payments.

In addition, we conduct our operations through our subsidiaries. Accordingly, repayment of our indebtedness is dependent on the generation of cash flow by our subsidiaries and their ability to make such cash available to us by dividend, debt repayment or otherwise. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness. Each of our subsidiaries is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries.

If we do not generate sufficient cash flow from operations to satisfy our debt service obligations, we may have to undertake alternative financing plans, such as refinancing or restructuring our indebtedness, selling assets, reducing or delaying capital investments or capital expenditures or seeking to raise additional capital. Our ability to restructure or refinance our debt, if at all, will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. In addition, the terms of existing or future debt instruments may restrict us from adopting some of these alternatives. Our inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance our obligations at all or on commercially reasonable terms, could affect our ability to satisfy our debt obligations and have a material adverse effect on our business, prospects, results of operations and financial condition.

We are a holding company with no operations of our own.

We are a holding company, and our ability to service our debt is dependent upon the earnings from the business conducted by our subsidiaries that operate the centers. The effect of this structure is that we depend on the earnings of our

subsidiaries, and the distribution or payment to us of a portion of these earnings to meet our obligations, including those under our Term Loan and Revolving Credit Facility and any of our other debt obligations. The distributions of those earnings or advances or other distributions of funds by these entities to us, all of which are contingent upon our subsidiaries' earnings, are subject to various business considerations. In addition, distributions by our subsidiaries could be subject to statutory restrictions, including state laws requiring that such subsidiaries be solvent, or contractual restrictions. Some of our subsidiaries may become subject to agreements that restrict the sale of assets and significantly restrict or prohibit the payment of dividends or the making of distributions, loans or other payments to stockholders, partners or members.

Our variable rate debt exposes us to risks associated with rising interest rates, which could adversely affect our cash flows.

As of December 31, 2024, we had borrowings under our Term Loan and Revolving Credit Facility with variable rate debt that was indexed to the Secured Overnight Financing Rate ("SOFR"). All outstanding loans bear interest based on either a base rate or SOFR plus an applicable per annum margin. During the period from January 1, 2024, through September 12, 2024, the applicable per annum margin was 2.0% or 3.0% for base rate or SOFR, respectively, if the Company's total leverage ratio was equal to or greater than 2.0x. If the Company's total leverage ratio was equal to or greater than 1.0x and less than 2.0x, the applicable per annum margin was 1.5% or 2.5% for base rate or SOFR, respectively. If the Company's total leverage ratio was below 1.0x, the applicable per annum margin was 1.0% or 2.0% for base rate or SOFR, respectively. During the period from September 13, 2024, through December 31, 2024, the applicable per annum margin was 2.5% or 3.5% for base rate or SOFR, respectively, if the Company's total leverage ratio was equal to or greater than 2.0x; if the Company's total leverage ratio was equal to or greater than 1.0x and less than 2.0x, the applicable per annum margin of 2.0% or 3.0% for base rate or SOFR, respectively; if the Company's total leverage ratio was below 1.0x, the applicable per annum margin of 1.5% or 2.5% for base rate or SOFR, respectively. Increases in interest rates on variable rate debt would increase our interest expense and the cost of refinancing existing debt and incurring new debt, unless we make arrangements that hedge the risk of rising interest rates, which would adversely affect net income and cash available for payment of our debt obligations and distributions to equity holders.

Under the recent Third Amendment to our Credit Agreement, for SOFR loans, the applicable per annum margin has been updated, beginning on or about July 1, 2025, to 3.75% or 4.75% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 3.00x, 3.50% or 4.50% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.00x and less than 3.00x, and 3.25% or 4.25% for base rate or SOFR, respectively, if the Company's total leverage ratio is below 2.00x.

Comprehensive tax reform legislation or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations.

We may be subject to income and other taxes in the United States and foreign jurisdictions, and our domestic tax liabilities are subject to the allocation of expenses in differing jurisdictions.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. For example, the Tax Cuts and Jobs Act of 2017 (the "Tax Cuts and Jobs Act") enacted many significant changes to the U.S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities may affect us, and certain aspects of the Tax Cuts and Jobs Act or other U.S. tax laws could be repealed or modified in future legislation. In addition, it is uncertain if and to what extent various states will conform to any newly enacted federal tax legislation.

Proposals to change U.S. or foreign tax laws could have an adverse impact on our effective tax rate, income tax expense, and financial performance. For example, the U.S. Congress, the Organization for Economic Cooperation and Development ("OECD"), and other government agencies are considering various proposals that may affect the taxation of multinational corporations. Although we cannot predict whether or in what form these proposals may pass, changes in corporate tax rates, the realization of net deferred tax assets relating to our operations, the taxation of foreign earnings, or other changes could have a material impact on the value of our deferred tax assets, could result in significant one-time charges, or could increase our future tax expense.

In addition, we may be subject to audits of our income, sales and other transaction taxes by U.S. federal, state, local and foreign authorities. We regularly assess the likelihood of an adverse outcome resulting from such an examination to determine the adequacy of our provision for income taxes. Outcomes from these examinations and audits could have an adverse effect on our financial condition and results of operations.

If there is a change in accounting standards by the Financial Accounting Standards Board or the interpretation thereof affecting consolidation of entities, it could have a material adverse effect on our consolidation of total revenue derived from the Professional Associations.

Our financial statements are consolidated in accordance with applicable accounting standards and include the accounts of our subsidiaries and the Professional Associations, which we manage under the MSAs but are not owned by us. Such consolidation for accounting and/or tax purposes does not, is not intended to, and should not be deemed to, imply or provide us any control over the medical or clinical affairs of our affiliated Professional Associations. In the event a change in accounting standards promulgated by FASB or in interpretation of its standards, or if there is an adverse determination by a regulatory agency or a court, or a change in state or federal law relating to the ability to maintain present agreements or arrangements with our affiliated Professional Associations, we may not be permitted to continue to consolidate the total revenue of such practices.

Our management team has limited experience managing a public company.

Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. We are subject to significant regulatory oversight and reporting obligations under the federal securities laws, Nasdaq Stock Market, and the continuous scrutiny of securities analysts and investors. These obligations and constituents require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, financial condition, and operating results.

A pandemic, epidemic or outbreak of a contagious disease in the markets in which we operate or that otherwise impacts our centers could adversely impact our business.

If a pandemic, epidemic or outbreak of an infectious disease, including new COVID-19 variants, or other public health crisis were to affect the areas in which we operate, our business, including our revenue, profitability and cash flows, could be adversely affected. If any of our centers were involved, or perceived to be involved, in treating patients with a highly contagious disease, or there was an outbreak of a highly contagious disease in areas in which our centers are located, our patients might cancel or defer cosmetic procedures. This could result in reduced patient volumes and operating revenue, potentially over an extended period. Further, a pandemic, epidemic or outbreak of an infectious disease might adversely impact our business by causing temporary shutdowns of our centers or diversion of patients or by causing staffing shortages in our centers. We may be unable to locate replacement supplies, and ongoing delays could require us to reduce procedure volume or cause temporary shutdowns of our centers. In addition, our results and financial condition may be adversely affected by future federal or state laws, regulations, orders, or other governmental or regulatory actions addressing new COVID-19 variants or the United States' healthcare system, which, if adopted, could result in direct or indirect restrictions to our business, financial condition, results of operations and cash flow. Although we have disaster plans in place and operate pursuant to infectious disease protocols, the extent to which new COVID-19 variants or other public health crises could impact our business is difficult to predict and depends on many factors beyond our control, including the speed of contagion, the development and implementation of effective preventative measures and possible treatments, the scope of governmental and other restrictions on travel and other activity, and public reactions to these factors.

Our centers may be adversely impacted by weather and other factors beyond our control, and disruptions in our disaster recovery systems or management continuity planning could limit our ability to operate our business effectively.

The financial results of our centers may be negatively impacted by adverse weather conditions, such as tornadoes, earthquakes and hurricanes, or other factors beyond our control, such as wildfires. These weather conditions or other factors could disrupt patient scheduling, displace our patients, employees and surgeon partners and force certain of our centers to close temporarily or for an extended period of time. In certain markets, we have a large concentration of centers that may be simultaneously affected by adverse weather condition or events beyond our control.

While we have disaster recovery systems and business continuity plans in place, any disruptions in our disaster recovery systems or the failure of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect our operating results by limiting our capacity to effectively monitor and control our operations. Despite our implementation of a variety of security measures, our technology systems could be subject to physical or electronic break-ins, and similar disruptions from unauthorized tampering or weather-related disruptions where our centers are located. In addition, in the event that a significant number of our management personnel were unavailable in the event of a disaster, our ability to effectively conduct business could be adversely affected.

Use and storage of paper medical records increases risk of loss, destruction and could increase human error with respect to documentation and patient care.

The affiliated Professional Associations continue to rely on the use of paper medical records, which are initially stored on-site at our centers. Paper records are more susceptible to human error both in terms of accurately capturing patient information, as well as with respect to misplacing or losing the same. There is no duplicate or backup copy of the paper records and in the event of a flood, fire, theft, or other adverse event, the records, and all patient information, could be lost or destroyed. Paper records do not allow for a number of the benefits of electronic medical records systems, including interoperability with other providers allowing for better coordination of care, and other features designed to improve privacy, security, accuracy and accessibility of patient records. This may create more risk for the Professional Associations, surgeons and our centers to the extent it could lead to clinical issues or breaches of patient privacy.

Our internal computer systems, or those of any of our manufacturers, other contractors, consultants, collaborators, or third party service providers may fail or suffer security or data privacy breaches or other unauthorized or improper access to, use of, or destruction of our proprietary or confidential data, employee data, or personal data, which could result in additional costs, loss of revenue, significant liabilities, harm to our brand and material disruption of our operations.

We use information technology systems, infrastructure, and data in many aspects of our business operations, and our ability to effectively manage our business depends significantly on the availability, reliability and capacity of these systems. We are critically dependent on the integrity, security and consistent operations of these systems. We also collect, process and store significant sensitive, personally identifiable, and/or confidential information and intellectual property, including patients' information, private information about employees, and financial and strategic information about us and our business partners. The secure processing, maintenance and transmission of this information is critical to our operations.

Our systems (including those of our contractors, consultants, collaborators, and third-party service providers) may be subject to damage or interruption from cyber-attacks, power outages, telecommunications problems, data corruption, software errors, network failures, acts of war or terrorist attacks, fire, flood, global pandemics and natural disasters; our existing safety systems, data backup, access protection, user management and information technology emergency planning may not be sufficient to prevent data loss or long-term network outages. In addition, we and our contractors, consultants, collaborators, and third-party service providers may have to upgrade our existing information technology systems or choose to incorporate new technology systems from time to time in order for such systems to support the increasing needs of our expanding business. Costs and potential problems and interruptions associated with the implementation of new or upgraded systems and technology or with maintenance or adequate support of existing systems could disrupt our business and result in transaction errors, processing inefficiencies and loss of production or sales, causing our business and reputation to suffer. Any material disruption or slowdown of our systems or those of our third-party service providers and business partners, could have a material adverse effect on our business, financial condition, and results of operations.

Further, our systems and facilities, and those of our contractors, consultants, collaborators, and third-party service providers, may be vulnerable to security incidents, including cyber-attacks, ransomware, acts of vandalism, computer viruses, misplaced or lost data, human errors or other similar events. Recent cyberattacks purportedly originated in Russian controlled entities have exacerbated in the wake of Russia's invasion of Ukraine and our systems may be infiltrated by foreign actors. If unauthorized parties gain access to our facilities, networks, or databases, or those of our third-party vendors or business partners, they may be able to steal, publish, delete, use inappropriately, render unreadable or unusable, or modify our private and sensitive third-party information, including personally identifiable information, credit card information, and other sensitive, confidential, or proprietary information. In addition, employees may intentionally or inadvertently cause security incidents that result in unauthorized release of personally identifiable, sensitive, confidential, or proprietary information. Because the techniques used to circumvent security systems can be highly sophisticated, change frequently, are often not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to proactively address all possible techniques or implement adequate preventive measures for all situations.

Security incidents compromising the confidentiality, integrity, and availability of this information and our systems and those of our third party vendors and business partners could result from cyber-attacks, computer malware, ransomware, viruses, social engineering (including phishing attacks), supply chain attacks, efforts by individuals or groups of hackers and sophisticated organizations, including state-sponsored organizations, errors or malfeasance of our personnel, and security vulnerabilities in the software or systems on which we rely. We anticipate that these threats will continue to grow in scope and complexity over time and such incidents have occurred in the past, and may occur in the future, resulting in unauthorized, unlawful, or inappropriate access to, inability to access, disclosure of, or loss of the sensitive, proprietary and confidential information that we handle. As we rely on our contractors, consultants, collaborators and third-party service providers, we are exposed to security risks outside of our direct control, and our ability to monitor these third-party service providers and business partners' data security is limited. Despite the implementation of security measures, our internal computer systems and those of our current and any other contractors, consultants, collaborators and third-party service providers, such measures may not be effective in every instance.

Cybercrime and hacking techniques are constantly evolving, and we and/or our third-party service providers may be unable to anticipate or avoid attempted or actual security breaches, react in a timely manner, or implement adequate preventative measures, particularly given the increasing use of hacking techniques designed to circumvent controls, avoid detection, and remove or obfuscate forensic artifacts. While we have taken measures designed to protect the security of the confidential and personal information under our control, we cannot assure you that any security measures that we or our third-party service providers have implemented will be effective against current or future security threats.

If such an event were to occur and cause interruptions in our operations or result in the unauthorized acquisition of or access to personally identifiable information or individually identifiable health information (violating certain privacy laws), it could result in a material disruption of our business operations, whether due to a loss of our trade secrets or other similar disruptions.

Laws in all states and U.S. territories require businesses to notify affected individuals, governmental entities, media, and/or credit reporting agencies of certain security incidents affecting personal information. Such laws are inconsistent, and compliance in the event of a widespread security incident is complex and costly and may be difficult to implement. Moreover, while we maintain cyber insurance that may help provide coverage for these types of incidents, we cannot assure you that our insurance will be adequate to cover all costs and liabilities related to these incidents. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, our insurance may not cover all claims made against us and could have high deductibles in any event, and defending a suit, regardless of its merit, could be costly and divert management attention.

The cost of investigating, mitigating and responding to potential security breaches and complying with applicable breach notification obligations to individuals, regulators, partners and others can be significant. Security breaches can also give rise to claims, and the risk of such claims is increasing. For example, as discussed below, the CCPA creates a private right of action for certain data breaches. Further, defending a suit, regardless of its merit, could be costly, divert management attention and harm our reputation. The successful assertion of one or more large claims against us could adversely affect our reputation, business, financial condition, revenue, results of operations or cash flows.

Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business or our patients, or prevent us from accessing critical information or systems and expose us to liability, and could adversely affect our business and our reputation.

In the ordinary course of our business, we create, receive, maintain, transmit, collect, store, use, disclose, share and process (collectively, “Process”) sensitive data, including individually identifiable health information (“IIHI”) and other types of personal data or personally identifiable information (collectively, “PII”) and, together with IIHI, “IIHI/PII”) relating to our employees, patients, and others. We also Process and contract with third-party service providers to Process sensitive information, including IIHI/PII, confidential information, and other proprietary business information.

We are highly dependent on information technology networks and systems, including the internet, to securely Process IIHI/PII and other sensitive data and information. Security breaches of this infrastructure, whether ours or of our third-party service providers, including physical or electronic break-ins, computer viruses, ransomware, attacks by hackers and similar breaches, and employee or contractor error, negligence or malfeasance, could create system disruptions, shutdowns or unauthorized access, acquisition, use, disclosure or modifications of such data or information, and could cause IIHI/PII to be accessed, acquired, used, disclosed or modified without authorization, to be made publicly available, or to be further accessed, acquired, used or disclosed.

We use third-party service providers for important aspects of the Processing of employee and patient IIHI/PII and other confidential and sensitive data and information, and therefore rely on third parties to manage functions that have material cybersecurity risks. Because of the sensitivity of the IIHI/PII and other sensitive data and information that we and our service providers Process, the security of our technology platform and other aspects of our services, including those provided or facilitated by our third-party service providers, are important to our operations and business strategy. We have implemented certain administrative, physical and technological safeguards to address these risks; however, such policies and procedures may not adequately address certain legal requirements, certain situations that could lead to increased privacy or security risks, and certain risks related to contractors and other third-party service providers who handle this IIHI/PII and other sensitive data and information for us. The training that we provide to our workforce and measures taken to protect our systems, the systems of our contractors or third-party service providers, or more generally the IIHI/PII or other sensitive data or information that we or our contractors or third-party service providers Process may not adequately protect us from the risks associated with Processing sensitive data and information. We may be required to expend significant capital and other resources to protect against security breaches, to safeguard the privacy, security, and confidentiality of IIHI/PII and other sensitive data and information, to investigate, contain, remediate, and mitigate actual or potential security breaches, and/or to report security breaches to patients, employees, regulators, media, credit bureaus, and other third parties in accordance with applicable law and to offer complimentary credit monitoring, identity theft protection, and similar services to patients and/or employees where required by law or otherwise appropriate. Despite our

implementation of security measures, cyber-attacks are becoming more sophisticated and frequent, and we or our third-party service providers may be unable to anticipate these techniques or to implement adequate protective measures against them or to prevent additional attacks. Our information technology networks and systems used in our business, as well as those of our service providers, may experience an increase in attempted cyber-attacks, seeking to take advantage of shifts to employees working remotely using their household or personal internet networks. The success of any of these attempts could substantially impact our platform and the privacy, security, or confidentiality of the IIHI/PII and other sensitive data and information contained therein or otherwise processed in the ordinary course of our business operations, and could ultimately harm our reputation and our business. In addition, any actual or perceived security incident or breach may cause us to incur increased expenses to improve our security controls and to remediate security vulnerabilities. We exercise limited control over our third-party service providers and, in the case of some third-party service providers, may not have evaluated the adequacy of their security measures, which increases our vulnerability to problems with services they provide.

A security breach, security incident, or privacy violation that leads to unauthorized use, disclosure, access, acquisition, loss or modification of, or that prevents access to or otherwise impacts the confidentiality, security, or integrity of, patient or employee information, including IIHI/PII that we or our third-party service providers Process, could harm our reputation, compel us to comply with breach notification laws, cause us to incur significant costs for investigation, containment, remediation, mitigation, fines, penalties, settlements, notification to individuals, regulators, media, credit bureaus, and other third parties, complimentary credit monitoring, identity theft protection, training and similar services to patients and/or employees where required by law or otherwise appropriate, for measures intended to repair or replace systems or technology and to prevent future occurrences. We may also be subject to potential increases in insurance premiums, resulting in increased costs or loss of revenue.

If we or our third-party service providers are unable to prevent or mitigate security breaches, security incidents or privacy violations in the future, or if we or our third-party service providers are unable to implement satisfactory remedial measures with respect to known or future security incidents, or if it is perceived that we have been unable to do so, our operations could be disrupted, we may be unable to provide access to our systems, and we could suffer a loss of patients, loss of reputation, adverse impacts on patient and investor confidence, financial loss, governmental investigations or other actions, regulatory or contractual penalties, and other claims and liability. In addition, security breaches and incidents and other compromise or inappropriate access to, or acquisition or processing of, IIHI/PII or other sensitive data or information can be difficult to detect, and any delay in identifying such breaches or incidents or in providing timely notification of such incidents may lead to increased harm and increased penalties.

Any such security breach or incident or interruption of our systems or those of any of our third-party service providers could compromise our networks or data security processes, and IIHI/PII or other sensitive data and information could be made inaccessible or could be compromised, used, accessed, or acquired by unauthorized parties, publicly disclosed, lost or stolen. Any such interruption in access, compromise, use, improper access, acquisition, disclosure or other loss of information could result in legal claims or proceedings and/or liability or penalties under laws and regulations that protect the privacy, confidentiality, or security of IIHI/PII, including, without limitation, the Federal Trade Commission Act (“FTC Act”), the California Consumer Privacy Act (“CCPA”), other state IIHI/PII privacy, security, or consumer protection laws, and state breach notification laws. Unauthorized access, loss or dissemination of IIHI/PII could also disrupt our operations, including our ability to perform our services, access, collect, process, and prepare company financial information, provide information about our current and future services and engage in other patient and clinician education and outreach efforts.

Risks Related to Intellectual Property

If we are unable to obtain and maintain patent protection of sufficient scope or at all or freedom to operate for the AirSculpt[®] procedure or any technology we develop, our ability to successfully commercialize any procedures we may develop may be adversely affected.

We seek to protect our position by filing patent applications in the United States and internationally related to our proprietary procedures and any products that we may develop that are important to our business.

The patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patents or patent applications at a reasonable cost, in a timely manner, in all jurisdictions where protection may be commercially advantageous, or at all. It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, consultants, contractors, collaborators, vendors and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. In addition, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to

make the inventions claimed in our patents or pending patent applications or that we were the first to file for patent protection of such inventions.

Changes in either the patent laws or their interpretation in the United States and other countries may diminish our ability to protect our inventions, obtain, maintain, and enforce our patent rights and, more generally, could affect the value of our patents or narrow the scope of our patents. For example, patent reform legislation may pass in the future that could lead to additional uncertainties and increased costs surrounding the prosecution, enforcement and defense of our patents and applications. Furthermore, the U.S. Supreme Court and the U.S. Court of Appeals for the Federal Circuit have made, and will likely continue to make, changes in how the patent laws of the United States are interpreted. Similarly, foreign courts have made, and will likely continue to make, changes in how the patent laws in their respective jurisdictions are interpreted.

We cannot predict whether the patent applications we pursue will issue as patents or whether the claims of any issued patents will provide sufficient protection from competitors. The coverage claimed in a patent application can be significantly reduced before a patent is issued, and its scope can be reinterpreted after issuance. Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

Additionally, our competitors or other third parties may be able to circumvent our patents by developing similar or alternative non-infringing technologies, or procedures. Our patent protection is currently limited to the United States and does not afford us protection in other countries in which we are opening new centers. These new centers may therefore face more direct competition, which may reduce the profitability of our centers outside the United States.

Third parties may also have blocking patents that could prevent us from marketing our procedures and practicing our technology. Alternatively, third parties may seek approval to market their own procedures similar to or otherwise competitive with our procedures. In these circumstances, we may need to defend and/or assert our patents, including by filing lawsuits alleging patent infringement. In any of these types of proceedings, a court or agency with jurisdiction may find our patents invalid, unenforceable or not infringed, in which case, our competitors and other third parties may then be able to market procedures that are substantially similar to ours. Even if we have valid and enforceable patents, these patents still may not provide protection against competing procedures or technologies sufficient to achieve our business objectives.

Competitors may also contest our patents, if issued, by showing the patent examiner that the invention was not original, was not novel or was obvious. In litigation, a competitor could claim that our patents, if issued, are not valid for a number of reasons. If a court agrees, we would lose our rights to those challenged patents.

The United States Patent and Trademark Office (USPTO) and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. In addition, periodic maintenance fees, renewal fees, annuity fees and various other government fees on issued patents and patent applications will be due to the USPTO and foreign patent agencies over the lifetime of our patents and applications. While an unintentional lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our products, we may not be able to stop a competitor from marketing products that are the same as or similar to our products, which could have a material adverse effect on our business, financial condition and results of operations.

We may become a party to intellectual property litigation or administrative proceedings or other intellectual property challenges that could be costly and could interfere with our ability to market and perform our services.

The cosmetic treatment procedure industry has been characterized by extensive intellectual property litigation, and companies in the industry have used intellectual property litigation to gain a competitive advantage. It is possible that United States and foreign patents and pending patent applications or trademarks of third parties may be alleged to cover our technology or our procedures, or that we may be accused of misappropriating third parties' trade secrets. Additionally, our equipment includes components that we purchase from vendors and may include design components that are outside of our direct control. Our competitors, many of which have substantially greater resources and have made substantial investments in patent portfolios, trade secrets, trademarks and competing technologies, may have applied for or obtained, or may in the future apply for or obtain, patents or trademarks that will prevent, limit or otherwise interfere with our ability to make, use, sell and/or export our technology and procedures or to use our proprietary names. Because patent applications can take years to issue and are often afforded confidentiality for some period of time, there is a risk we may develop one or more procedures or other technologies without knowledge of a pending patent application, which if such patent application

issued into a patent would result in our procedures or technologies infringing such patent. From time to time, we may receive threatening letters, notices or “invitations to license,” or may be the subject of claims that our procedures, technology, brands, proprietary names and marks, and/or business operations infringe or violate the intellectual property rights of others. Moreover, in recent years, individuals and groups that are non-practicing entities, commonly referred to as “patent trolls,” have purchased patents and other intellectual property assets for the purpose of making claims of infringement in order to extract settlements. The defense of any of these matters, even claims without merit, can be time consuming, divert management’s attention and resources, damage our reputation and brand and cause us to incur significant expenses, and if we settle any such claims, we may agree to make substantial payments or to redesign or cease making or using our challenged procedures or technology or to cease using our brands or proprietary names and marks. Vendors from whom we purchase hardware or software may not indemnify us in the event that such hardware or software is accused of infringing or misappropriating a third party’s intellectual property rights, or any indemnification granted by such vendors may not be sufficient to address any liability and costs we incur as a result of such claims. Additionally, we may be obligated to indemnify our business partners in connection with intellectual property litigation, which could further exhaust our resources.

Even if we believe a third party’s intellectual property claims are without merit, there is no assurance that a court would find in our favor, including on questions of infringement, validity, enforceability or priority of patents. The strength of our defenses relating to patent claims will depend on the patents asserted, the interpretation of these patents, and our ability to invalidate the asserted patents. A court of competent jurisdiction could hold that these third-party patents are valid and enforceable and have been infringed by us, which could materially and adversely affect our ability to commercialize any procedures or technology we may develop and any other procedures or technologies covered by the asserted third-party patents. In order to successfully challenge the validity of any such U.S. patent in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent. Conversely, the patent owner need only prove infringement by a preponderance of the evidence, which is a lower burden of proof.

Further, any successful claims of intellectual property infringement or misappropriation against us may harm our business and result in injunctions preventing us from developing, manufacturing, using or selling our technology or procedures, or result in obligations to pay license fees, damages, attorney fees and court costs, which could be significant. In addition, if we are found to willfully infringe third-party patents or trademarks or to have misappropriated trade secrets, we could be required to pay treble damages in addition to other penalties.

Even if any intellectual property disputes are settled through licensing or similar arrangements, costs associated with such arrangements may be substantial and could include ongoing royalties. We may be unable to obtain necessary licenses on satisfactory terms, if at all. In addition, if any license we obtain is non-exclusive, we may not be able to prevent our competitors and other third parties from using the intellectual property or technology covered by such license to compete with us. If we do not obtain necessary licenses, we may not be able to alter our procedures or redesign our equipment to avoid infringement. Any of these events could materially and adversely affect our business, financial condition and results of operations.

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

Additionally, we may file lawsuits or initiate other proceedings to protect or enforce our patents, or other intellectual property rights and contractual restrictive covenants with our surgeons not to use the procedure outside of our centers, each of which could be expensive, time consuming and unsuccessful. Competitors may infringe our issued patents or other intellectual property, which we may not always be able to detect. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property or alleging that our intellectual property is invalid or unenforceable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness or non-enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may raise challenges to the validity of certain of our existing and future patent claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post-grant review, *inter partes* review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). In any such lawsuit or other proceedings, a court or other administrative body may decide that a patent of

ours is invalid or unenforceable, in whole or in part, construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question.

The outcome following legal assertions of invalidity and unenforceability is unpredictable. If a third party were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our procedures, equipment, and other technologies (including those then under development). If our patents are found to be valid and infringed by a third party, a court may refuse to grant injunctive relief against the infringer and instead grant us monetary damages and/or ongoing royalties. Such monetary compensation may be insufficient to adequately offset the damage to our business caused by the infringer's competition in the market. Any of these events could materially and adversely affect our business, financial condition and results of operations.

Even if resolved in our favor, litigation or other proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential or sensitive information could be compromised by disclosure in the event of litigation. Uncertainties resulting from the initiation and continuation of intellectual property litigation or other proceedings could have a material adverse effect on our business, financial condition and results of operations.

If we are unable to protect our other proprietary rights, our business and competitive position may be harmed.

In addition to patent protection, we also rely on other proprietary rights that we seek to protect, including trade secrets, and other proprietary information that is not patentable or that we elect not to patent. However, trade secrets can be difficult to protect. To maintain the confidentiality of our trade secrets and proprietary information, we rely heavily on confidentiality provisions that we have in contracts with our employees, consultants, contractors, collaborators and others upon the commencement of their relationship with us. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes. We may not be able to prevent the unauthorized disclosure or use of our technical knowledge or other trade secrets by such third parties, despite the existence generally of these confidentiality restrictions. These contracts may not provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use, misappropriation or disclosure of such trade secrets, know-how or other proprietary information. There can be no assurance that such third parties will not breach their agreements with us, that we will have adequate remedies for any breach, or that our trade secrets, know-how and other proprietary information will not otherwise become known. Despite the protections we do place on our intellectual property or other proprietary rights, monitoring unauthorized use and disclosure of our intellectual property is difficult, and we do not know whether the steps we have taken to protect our intellectual property or other proprietary rights will be adequate. Enforcing a claim that a party disclosed proprietary information in an unauthorized manner or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable.

In addition, we may in the future also be subject to claims by our former employees, surgeons, consultants or contractors asserting an ownership right in our intellectual property rights as a result of the work they performed on our behalf. Although it is our policy to require all of our employees, consultants, contractors and any other partners or collaborators who may be involved in the conception or development of intellectual property for us to execute agreements assigning such intellectual property to us, we cannot be certain that we have executed such agreements with all parties who may have contributed to the development of our intellectual property, that the assignment of intellectual property rights under our agreements that have been executed with such parties will be self-executing, or that our agreements with such parties will be upheld in the face of a potential challenge. Such agreements could also potentially be breached in a manner for which we may not have an adequate remedy. As a result, we may lose valuable intellectual property rights, such as exclusive ownership of, and/or right to use, intellectual property that is important to our business. Any such events could have a material adverse effect on our business, financial condition and results of operations.

To the extent our intellectual property or other proprietary information protection is inadequate, we are exposed to a greater risk of direct competition. A third party could, without authorization, copy or otherwise obtain and use our procedures, equipment, or technology. Our competitors could attempt to replicate some or all of the competitive advantages we derive from our development efforts or design around our intellectual property. Our failure to secure, protect and enforce our intellectual property rights could substantially harm the value of our brand and business. The theft or unauthorized use or publication of our trade secrets and other confidential proprietary information could reduce the differentiation of our

procedures and harm our business, the value of our investment in development could be reduced and third parties may make claims against us related to losses of their confidential or proprietary information.

Further, it is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology, and in such cases we could not assert any trade secret rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our trade secret rights and related confidentiality and nondisclosure provisions. If we fail to obtain or maintain trade secret protection, or if our competitors rightfully obtain our trade secrets or independently develop technology similar to ours or competing technologies, our competitive market position could be materially and adversely affected. In addition, some courts are less willing or unwilling to protect trade secrets, and agreement terms that address non-competition are difficult to enforce in many jurisdictions and might not be enforceable in certain cases. In addition, the Federal Trade Commission has proposed new regulations, which, if such regulations come into force in their proposed form and are found enforceable, would largely prohibit future, or render unenforceable most current, non-compete agreements in the United States that would otherwise protect the business.

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

We may not be able to protect our intellectual property rights throughout the world to the same extent as in the United States.

While we have applied for patent protection in the United States and internationally relating to certain of our procedures, a company may attempt to commercialize competing procedures utilizing our proprietary methods in foreign countries where we do not have any patents or patent applications and where legal recourse may be limited or unavailable. In addition, we currently own registered trademarks and trademark applications relating to our business in the United States and other markets, but other companies may own these marks in other jurisdictions. Any such third-party rights may have a significant commercial impact on our ability to expand into foreign markets.

Filing, prosecuting and defending patents or trademarks on our current and future procedures in all countries throughout the world would be prohibitively expensive. In addition, we may not accurately predict all of the jurisdictions where patent or trademark protection will ultimately be desirable. If we fail to timely file a patent or trademark application in some jurisdictions, we may be precluded from doing so at a later date. The requirements for patentability and for obtaining trademark protection may differ in certain countries, particularly developing countries. The laws of some foreign countries do not protect intellectual property rights to the same extent as laws in the United States. Consequently, we may not be able to prevent third parties from utilizing our inventions, trademarks and other proprietary rights in all countries outside the United States. Competitors may use our technologies or trademarks in jurisdictions where we have not obtained patent or trademark protection to develop or market their own procedures. Our patents, trademarks or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor, or may not be sufficiently robust for, the meaningful enforcement of patents, trademarks and other intellectual property rights, which could make it difficult for us to stop the infringement or other violation of our patents, trademarks and other intellectual property rights. Proceedings to enforce our intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents and trademarks at risk of being invalidated or interpreted narrowly and/or result in the unsuccessful prosecution of our patent or trademark applications, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, many countries, including India, China and certain countries in Europe, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we may have limited remedies if our patents are infringed or if we are compelled to grant a license to our patents to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from our intellectual property. Finally, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws.

If our trademarks and trade names are not adequately protected, that could adversely impact our ability to build name recognition in certain markets.

We rely on trademarks, service marks and trade names to distinguish our procedures and services from those of our competitors and have registered or applied to register these trademarks. Our registered or unregistered trademarks, service marks and trade names may be challenged, infringed, diluted, circumvented or declared generic or determined to be infringing on other marks. Additionally, we cannot assure you that our trademark applications will be approved. During trademark registration proceedings, we may receive rejections. Although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in proceedings before the USPTO and comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. In the event that our trademarks are successfully challenged, we could be forced to rebrand our procedures or services, which could result in loss of brand recognition and could require us to devote resources towards advertising and marketing new brands. At times, competitors may adopt trade names or trademarks similar to ours, which could harm our brand identity and lead to market confusion. Certain of our current or future trademarks may become so well known by the public that their use becomes generic and they lose trademark protection. Over the long term, if we are unable to establish name recognition through our trademarks and trade names, then we may not be able to compete effectively and our business, financial condition and results of operations may be adversely affected.

Risks Related to Government Regulations

If we fail to comply with or otherwise incur liabilities under the numerous federal and state laws and regulations relating to the operation of our centers, we could incur significant penalties or other costs or be required to make significant changes to our operations.

The cosmetic treatment industry is heavily regulated and we are subject to many laws and regulations at the federal, state and local government levels in the markets in which we operate. These laws and regulations require that our centers meet various licensing, accreditation, certification and other requirements, including, but not limited to, those relating to:

- ownership and control of our centers and our arrangements with our affiliated Professional Associations;
- operating policies and procedures;
- qualification, training and supervision of medical and support persons;
- the appropriateness and adequacy of medical care, equipment, personnel, operating policies and procedures; maintenance and preservation of medical records;
- the protection and privacy of patient and other sensitive information of privacy, including, but not limited to, patient health information and credit card information;
- screening, stabilization and transfer of individuals who have emergency medical conditions and provision of emergency services;
- antitrust;
- building codes;
- workplace health and safety;
- licensure, certification and accreditation;
- fee-splitting and the corporate practice of medicine;
- handling of medication;
- confidentiality, data breach, identity theft and maintenance and protection of health-related and other personal information and medical records;
- fat removal; and
- environmental protection, health and safety.

If we fail or have failed to comply with applicable laws and regulations, we could subject ourselves to administrative, civil or criminal penalties, cease and desist orders, and loss of licenses necessary to operate.

Many of these laws and regulations have not been fully interpreted by regulatory authorities or the courts, and their provisions are sometimes open to a variety of interpretations. Different interpretations or enforcement of existing or new laws and regulations could subject our current practices to allegations of impropriety or illegality, or require us to make changes in our operations, arrangements with surgeons and licensed professionals, centers, equipment, personnel, services, capital expenditure programs or operating expenses to comply with the evolving rules. Any enforcement action against us, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business.

In pursuing our growth strategy, we may seek to expand our presence into states in which we do not currently operate. In new geographic areas, we may encounter laws and regulations that differ from those applicable to our current operations. If we are unwilling or unable to comply with these legal requirements in a cost-effective manner, we may be unable to expand into new geographic markets or such expansion may be materially limited, which, in either case, could materially and adversely affect our ability to expand and grow the business.

A number of initiatives have been proposed during the past several years to reform various aspects of the healthcare system in the United States. In the future, different interpretations or enforcement of existing or new laws and regulations could subject our current practices to allegations of impropriety or illegality, or could require us to make changes in our centers, equipment, personnel, services, capital expenditure programs and operating expenses. In addition, some of the governmental and regulatory bodies that regulate us are considering or may in the future consider enhanced or new regulatory requirements. These authorities may also seek to exercise their supervisory or enforcement authority in new or more robust ways.

There are laws that limit the amount of fat that may be removed during the procedures we perform, and such restrictions vary depending on where the procedure is performed. If the laws were to change to materially restrict the amount of fat that may be removed during our procedures, this may limit demand for our services or the ability to continue to charge as much for the same procedures or to perform the procedures at all.

All of these possibilities, if they occurred, could detrimentally affect the way we conduct our business and manage our capital, either of which, in turn, could have a material adverse effect on our business, prospects, results of operations and financial condition.

We cannot be certain if and when international regulatory agencies will approve use of the AirSculpt® procedure in their respective jurisdictions.

We believe that our brand is important to attracting patients and high-quality surgeons. As we continue our international expansion, we cannot be certain if and when regulatory agencies outside the United States will approve use of the AirSculpt® procedure in their respective jurisdictions. Accordingly, we may need to adapt the AirSculpt® procedure to local regulatory requirements, which could produce inferior results. Moreover, altering the AirSculpt® procedure could create confusion among consumers and dilute our brand identity. If inferior results are produced or our brand identity is diluted, we may not be able to compete effectively and our business, financial condition and results of operations may be adversely affected.

AirSculpt® procedures may cause or contribute to adverse medical events that we are required to report to the FDA and if we fail to do so, we could be subject to sanctions that would materially harm our business.

In connection with the AirSculpt® procedure, we currently use an FDA-approved handpiece manufactured by Euromi S.A., a Belgian company that specializes in the manufacturing and distribution of medical, dermatological and plastic surgery products, and other FDA-approved parts, such as the cannula and vacuum pump, from other manufacturers. Using FDA-approved equipment in medical procedures is the practice of medicine and does not itself require further FDA review or approval. However, FDA regulations require that we report certain information about adverse medical events if the AirSculpt® procedure has caused or contributed to those adverse events. The timing of our obligation to report is triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events we become aware of within the prescribed timeframe. We may also fail to appreciate that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of our products. If we fail to comply with our reporting obligations, the FDA could take action including criminal prosecution, the imposition of civil monetary penalties, revocation of our device clearance or approval, seizure of our products, or delay in approval or clearance of future products.

If laws governing the corporate practice of medicine or fee-splitting change, we may be required to restructure some of our relationships, which may result in a significant loss of revenue and divert other resources.

Our contractual relationships with our affiliated Professional Associations and surgeons may implicate certain state laws that generally prohibit non-professional entities from providing licensed medical services and exercising control over licensed physicians or other healthcare professionals (such activities generally referred to as the “corporate practice of medicine,” or CPOM) or engaging in certain practices such as fee-splitting with such licensed professionals (i.e., sharing in a percentage of professional fees). The specific requirements, interpretation and enforcement of these laws vary significantly from state to state, and is subject to change and to evolving interpretations. There can be no assurance that these laws will be interpreted in a manner consistent with our practices or that other laws or regulations will not be enacted in the future that could have a material and adverse effect on our business, financial condition and results of operations. We provide comprehensive, administrative and non-clinical Management Services to our affiliated Professional Associations in exchange for a management fee. Regulatory authorities, state boards of medicine, state attorneys general and other parties

may assess or determine that our relationships with our affiliated Professional Associations and surgeons violate state CPOM and/or fee-splitting prohibitions. If any of these events occur, we could be subject to significant fines and penalties, certain relationships with our affiliated Professional Associations and surgeons could be voided and declared unenforceable and/or we could be required to materially change the way we do business, which, could adversely affect our business, financial condition and results of operations. State CPOM and fee-splitting prohibitions also often impose penalties on healthcare professionals for aiding in the improper rendering of professional services, which could discourage surgeons and other healthcare professionals from providing clinical services at our centers.

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

Although none of our services are currently covered by any state or federal government healthcare program or other third-party payor, applicable agencies and regulators may interpret that we are nonetheless subject to various federal and state laws intended to prevent healthcare fraud and abuse, including, but not limited, to the following:

- the federal Anti-Kickback Statute, which prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, to induce either the referral of an individual for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs. Remuneration has been broadly defined to include anything of value, including cash, improper discounts and free or reduced price items and services;
- the federal False Claims Act, which prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, false claims, or knowingly using false statements, to obtain payment from the federal government, and which may apply to entities that provide coding and billing advice to customers. The federal False Claims Act has been used to prosecute persons submitting claims for payment that are inaccurate or fraudulent, that are for services not provided as claimed or for services that are not medically necessary. The federal False Claims Act includes a whistleblower provision that allows individuals to bring actions on behalf of the federal government and share a portion of the recovery of successful claims;
- HIPAA, as amended, also created federal criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;
- similar state anti-kickback and false claims laws, some of which apply to items or services reimbursed by any third party payor, including commercial insurers or services paid out-of-pocket by consumers; and
- the Federal Trade Commission Act and federal and state consumer protection, advertisement and unfair competition laws, which broadly regulate marketplace activities and activities that could potentially harm consumers.

Because of the breadth of these laws and the need to fit certain activities within one of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. The risk of our being found in violation of these laws and regulations is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are sometimes open to a variety of interpretations. Our failure to accurately anticipate the application of these laws and regulations to our business or any other failure to comply with regulatory requirements could create liability for us and negatively affect our business. Any action against us for violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management's attention from the operation of our business and result in adverse publicity.

We are subject to numerous environmental, health and safety laws and regulations, and must maintain licenses or permits, and non-compliance with these laws, regulations, licenses, or permits may expose us to significant costs or liabilities.

We are subject to numerous foreign, federal, state, and local environmental, health and safety laws and regulations relating to, among other matters, safe working conditions and environmental protection, including those governing the generation, storage, handling, use, transportation, and disposal of hazardous or potentially hazardous materials, including medical waste and other highly regulated substances. Some of these laws and regulations require us to obtain licenses or permits to conduct our operations. Environmental, health and safety laws and regulations are complex, occasionally change and have tended to become more stringent over time. If we violate or fail to comply with these laws, regulations, licenses, or permits, we could be fined or otherwise sanctioned by regulators. We cannot predict the impact on our business of new or amended laws or regulations or any changes in the way existing and future laws and regulations are interpreted or enforced, nor can we ensure we will be able to obtain or maintain any required licenses or permits.

Certain risks are inherent in providing prescription and over the counter (“OTC”) treatments, and our insurance may not be adequate to cover any claims against us.

Sellers of prescriptions and OTC treatments are exposed to risks inherent in the packaging and distribution of prescriptions and OTC treatments and other healthcare products, such as with respect to improper filling of prescriptions, labeling of prescriptions, adequacy of warnings, unintentional distribution of counterfeit drugs and expiration of drugs. Our medical professionals may also have a duty to warn customers regarding any potential negative effects of a prescription drug if the warning could reduce or negate these effects. Although we maintain professional liability and errors and omissions liability insurance, from time to time, claims may result in the payment of significant amounts, some portions of which are not funded by insurance. We cannot assure you that the coverage limits under our insurance policies will be adequate to protect us against future claims or that we will be able to maintain this insurance on acceptable terms in the future. Our business, financial condition and results of operations may be adversely affected if our insurance coverage proves to be inadequate or unavailable or there is an increase in liability for which we self-insure or we suffer reputational harm as a result of an error or omission in the process of prescribing, dispensing and administering prescription and OTC treatments.

If antitrust enforcement authorities conclude that our market share in any particular market is too concentrated or that we violate antitrust laws, we could be subject to enforcement actions that could have a material adverse effect on our business, prospects, results of operations and financial condition.

The federal government and most states have enacted antitrust laws that prohibit certain types of conduct deemed to be anti-competitive. These laws prohibit price fixing, concerted refusal to deal, market monopolization, price discrimination, tying arrangements, acquisitions of competitors and other practices that have, or may have, an adverse effect on competition. Violations of federal or state antitrust laws can result in various sanctions, including criminal and civil penalties. Antitrust enforcement in the healthcare industry is currently a priority of the Federal Trade Commission (the “FTC”). We believe we are in compliance with federal and state antitrust laws, but courts or regulatory authorities may reach a determination in the future that could have a material adverse effect on our business, prospects, results of operations and financial condition.

The healthcare laws and regulation to which we are subject is constantly evolving and may change significantly in the future.

The regulation applicable to our business and to the healthcare industry generally to which we are subject is constantly in a state of flux. A number of states, including states in which we operate, such as California, Massachusetts, and New York have passed recent legislation that are materially increasing the scrutiny of investors investing in for-profit health care providers, which could ultimately impact our existing structure. While we believe that we have structured our agreements and operations in material compliance with applicable healthcare laws and regulations, there can be no assurance that we will be able to successfully address changes in the current regulatory environment or changes in interpretation of existing laws and regulations. We believe that our business operations materially comply with applicable healthcare laws and regulations. However, some of the healthcare laws and regulations applicable to us are subject to limited or evolving interpretations, and a review of our business or operations by a court, law enforcement or a regulatory authority might result in a determination that could have a material adverse effect on us. Furthermore, the healthcare laws and regulations applicable to us may be amended or interpreted in a manner that could have a material adverse effect on our business, prospects, results of operations and financial condition.

We are subject to rapidly changing and increasingly stringent laws, regulations, industry standards, and other obligations relating to privacy, data protection, and data security. The restrictions and costs imposed by these requirements, or our actual or perceived failure to comply with them, could materially harm our business.

We collect, use, and disclose IIIH/PII of patients, personnel, business contacts, and others in the course of operating our business. These activities are or may become regulated by a variety of domestic and foreign laws and regulations relating to privacy, data protection, and data security, which are complex and increasingly stringent and the scope of which is constantly changing, and in some cases, inconsistent and conflicting and subject to differing interpretations as new laws of this nature are proposed and adopted, and we currently, and from time to time, may not be in technical compliance with all such laws.

The Federal Trade Commission (“FTC”) has brought legal actions against organizations that have violated consumers’ privacy rights or misled them by failing to maintain security for sensitive consumer information, or caused substantial consumer injury. In many of these cases, the FTC has charged the defendants with violating Section 5 of the FTC Act, which bars unfair and deceptive acts and practices in or affecting commerce.

State statutes and regulations also protect the confidentiality, privacy, availability, integrity, security, and other Processing of IIIH/PII and vary from state to state. These laws and regulations are often ambiguous, contradictory, and subject to changing or differing interpretations, and we expect new laws, rules and regulations regarding privacy, data protection, and information security to be proposed and enacted in the future. For example, the California Confidentiality of Medical

Information Act (CMIA) regulates the disclosure of medical information, and applies to the IIHI we Process in the ordinary course of our Business. Violations of the CMIA can result in personal liability to the patient, the imposition of administrative fines and civil penalties, and even criminal liability. Additionally, the CCPA provides certain exceptions for some IIHI, but is still applicable to certain PII we process in the ordinary course of our business. The effects of the CCPA are wide-ranging and afford consumers certain rights with respect to PII, including a private right of action for data breaches involving certain personal information of California residents. The California voters also passed, on November 3, 2020, the California Privacy Rights Act, or CPRA, which went into effect on January 1, 2023, and expanded the rights of consumers under the CCPA and create a new enforcement agency. As new data security laws are implemented, we may not be able to timely comply with such requirements, or such requirements may not be compatible with our current processes. Changing our processes could be time consuming and expensive, and failure to implement required changes in a timely manner could subject us to liability for non-compliance. Consumers may also be afforded a private right of action for certain violations of privacy laws. This complex, dynamic legal landscape regarding privacy, data protection, and information security creates significant compliance issues for us and potentially restricts our ability to Process data and may expose us to additional expense, adverse publicity and liability. While we believe we have implemented data privacy and security measures in an effort to comply with applicable laws and regulations, and we have implemented measures to require our third-party service providers to maintain reasonable data privacy and security measures, we cannot guarantee that these efforts will be adequate, and we may be subject to cybersecurity, ransomware or other security incidents. Further, it is possible that laws, rules and regulations relating to privacy, data protection, or information security may be interpreted and applied in a manner that is inconsistent with our practices or those of our third-party service providers.

If we or these third parties are found to have violated such laws, rules or regulations, it could result in regulatory investigations, litigation awards or settlements, government imposed fines, orders requiring that we or these third parties change our or their practices, or criminal charges, which could adversely affect our business. Complying with these various laws and regulations could cause us to incur substantial costs or require us to change our business practices, systems and compliance procedures in a manner adverse to our business.

We also publish statements to our patients and consumers that describe how we handle and protect IIHI/PII. If federal or state regulatory authorities or private litigants consider any portion of these statements to be untrue, we may be subject to claims of deceptive practices, which could lead to significant liabilities and consequences, including, without limitation, costs of responding to investigations, defending against litigation, settling claims, and complying with regulatory or court orders. Any of the foregoing consequences could seriously harm our business and our financial results.

Further, we are subject to the Payment Card Industry Data Security Standard (“PCI DSS”), a security standard applicable to companies that collect, store or transmit certain data regarding credit and debit cards, holders and transactions. We rely on vendors to handle PCI DSS matters and to ensure PCI DSS compliance. Despite our compliance efforts, we may become subject to claims that we have violated the PCI DSS based on past, present, and future business practices. Our actual or perceived failure to comply with the PCI DSS can subject us to fines, termination of banking relationships, and increased transaction fees. In addition, there is no guarantee that the PCI DSS compliance will prevent illegal or improper use of our payment systems or the theft, loss or misuse of payment card data or transaction information.

Despite our efforts, we may not be successful in complying with the rapidly evolving privacy, data protection, and data security requirements discussed above. Any actual or perceived non-compliance with such requirements could result in litigation and proceedings against us by governmental entities, customers, or others, fines, civil or criminal penalties, limited ability or inability to operate our business, offer services, or market our platform in certain jurisdictions, negative publicity and harm to our brand and reputation, changes to our business practices, and reduced overall demand for our platform. Such occurrences could have an adverse effect on our business, financial condition or results of operations.

Risks Related to Ownership of Our Common Stock

We are an “emerging growth company,” as defined in the Securities Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors.

We are an “emerging growth company,” as defined in Section 2(a)(19) of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation and exemptions from the requirements of holding a non-binding stockholder advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, our stockholders may not have access to certain information that they may deem important. We could remain an emerging growth company until December 31, 2026, although circumstances could cause us to lose that status earlier, including if our total annual gross revenue is \$1.235 billion or more, if we issue more than \$1 billion in non-convertible debt during the previous three-year period, or if the Company qualifies as a “large accelerated filer” as defined in Rule 12b-2 under the Exchange Act. We

cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

We filed a registration statement on Form S-3 with the SEC, and the number of shares of common stock being registered for sale is significant in relation to the number of our outstanding shares of common stock.

We filed a registration statement on Form S-3 with the SEC to register the shares offered thereunder for sale into the public market by the selling stockholders. These shares of common stock represent a large number of shares of our common stock, and if sold in the market all at once or at about the same time, could depress the market price of our common stock during the period the registration statement remains effective and could also affect our ability to raise equity capital.

Although we do not expect to rely on the “controlled company” exemption, we are a “controlled company” within the meaning of the Nasdaq listing standards, and we qualify for exemptions from certain corporate governance requirements.

A “controlled company,” as defined in the Nasdaq listing standards, is a company of which more than 50% of the voting power for the election of directors is held by an individual, a group or another company. Controlled companies are not required to comply with certain Nasdaq listing standards relating to corporate governance, including:

- the requirement that a majority of its board of directors consist of independent directors;
- the requirement that its nominating and corporate governance committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- the requirement that its compensation committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities.

Our Sponsor currently owns a majority of the voting power for the election of our directors, and thus we meet the definition of a “controlled company.” As a result, these requirements do not apply to us as long as we remain a “controlled company.”

Although we qualify as a “controlled company,” we currently do not, and we do not expect to, rely on this exemption and we currently comply with, and we expect to continue to comply with, all relevant corporate governance requirements under the Nasdaq listing standards. However, if we were to utilize some or all of these exemptions, you may not have the same protections afforded to shareholders of companies that are subject to all of the Nasdaq listing standards that relate to corporate governance.

Our stock price could be extremely volatile, and, as a result, you may not be able to resell your shares at or above the price you paid for them.

The stock market in general has been highly volatile. As a result, the market price of our common stock is likely to be similarly volatile, and investors in our common stock may experience a decrease, which could be substantial, in the value of their stock, including decreases unrelated to our operating performance or prospects, and could lose part or all of their investment. The price of our common stock could be subject to wide fluctuations in response to a number of factors, including those described elsewhere in this Annual Report on Form 10-K and others such as:

- variations in our operating performance and the performance of our competitors;
- actual or anticipated fluctuations in our quarterly or annual operating results;
- publication of research reports by securities analysts about us or our competitors or our industry;
- announcements by us, our competitors or our vendors of significant contracts, acquisitions, joint marketing relationships, joint ventures or capital commitments;
- our failure or the failure of our competitors to meet analysts’ projections or guidance that we or our competitors may give to the market;
- additions and departures of key personnel;
- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- the passage of legislation or other regulatory developments affecting us or our industry;
- speculation in the press or investment community;
- changes in accounting principles;
- geopolitical conditions such as acts of terrorism, military or armed conflicts, such as the Russian invasion of Ukraine, or global pandemics;
- natural disasters, including earthquakes, floods and wildfires (such as the 2025 Los Angeles wildfires), and other calamities; and
- changes in general market and economic conditions.

In the past, securities class action litigation has often been initiated against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources and could also require us to make substantial payments to satisfy judgments or to settle litigation.

There may be sales of a substantial amount of our common stock by our current stockholders, and these sales could cause the price of our common stock to fall.

As of March 13, 2025, there are 58,574,516 shares of common stock outstanding. Such shares are freely transferable, except for any shares held by our "affiliates," as that term is defined in Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). As of March 13, 2025, approximately 77.0% of our outstanding common stock is held by investment funds affiliated with our Sponsor and members of our management and employees.

Sales of substantial amounts of our common stock in the public market, or the perception that such sales will occur, could adversely affect the market price of our common stock and make it difficult for us to raise funds through securities offerings in the future.

Subject to certain exceptions, holders of shares of our common stock may require us to register their shares for resale under the federal securities laws and holders of additional shares of our common stock would be entitled to have their shares included in any such registration statement, all subject to reduction upon the request of the underwriter of the closing of this offering, if any. Registration of those shares would allow the holders to immediately resell their shares in the public market. Any such sales or anticipation thereof could cause the market price of our common stock to decline.

Future issuances of capital stock may dilute your percentage ownership in us, which could reduce your influence over matters on which stockholders vote.

Our board of directors has the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares of common stock, including shares issuable upon the exercise of options, or shares of our authorized but unissued voting preferred stock. Issuances of common stock or preferred stock would reduce your influence over matters on which our stockholders vote and, in the case of issuances of preferred stock, would likely result in your interest in us being subject to the prior rights of holders of that preferred stock.

Certain of our directors and executive officers hold a substantial portion of our common stock, which may lead to conflicts of interest with other stockholders over corporate transactions and other corporate matters.

Certain of our directors and executive officers beneficially own a substantial portion of our outstanding common stock. This concentration of ownership may not be in the best interests of our other stockholders. These stockholders, acting together, would be able to influence significantly all matters requiring stockholder approval, including the election of directors and significant corporate transactions such as mergers or other business combinations. This control could delay, deter, or prevent a third party from acquiring or merging with us, which could adversely affect the market price of our common stock.

Provisions in our charter documents and Delaware law may deter takeover efforts that could be beneficial to stockholder value.

Our amended and restated certificate of incorporation and amended and restated by-laws contain, and Delaware law contains, provisions that could make it harder for a third party to acquire us, even if doing so might be beneficial to our stockholders. These provisions in our charter documents include the following:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors, unless the board of directors grants such right to the stockholders, to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;
- the required approval of at least 66^{2/3}% of the shares entitled to vote to remove a director for cause, and the prohibition on removal of directors without cause;
- the ability of our board of directors to alter our amended and restated bylaws without obtaining stockholder approval;

- the required approval of at least 66^{2/3}% of the shares entitled to vote to adopt, amend or repeal our amended and restated bylaws or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- an exclusive forum provision providing that the Court of Chancery of the State of Delaware will be the exclusive forum for certain actions and proceedings;
- the requirement that a special meeting of stockholders may be called only by the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of us; and
- certain restrictions on mergers and other business combinations between us and any holder of 15% or more of our outstanding common stock other than affiliates of our Sponsor.

In addition, our board of directors has the right to authorize the issuance of shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval that could be used to dilute the ownership of a potential hostile acquiror.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for substantially all disputes between us and our stockholders and that the federal district courts is the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees or the underwriters of any offering giving rise to such claim.

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, in the event that the Chancery Court does not have jurisdiction, the federal district court for the District of Delaware or other state courts of the State of Delaware) is the sole and exclusive forum for the following types of actions, suits or proceedings ("Proceedings"):

- any derivative Proceeding brought on our behalf;
- any Proceeding asserting a claim of a breach of fiduciary duty owed by any of our current or former directors, officers, other employees or stockholders to us or our stockholders;
- any Proceeding arising out of or pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws (in each case, as may be amended from time to time) or as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware;
- any Proceeding seeking to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws; and
- any Proceeding asserting a claim against us or any of our current or former directors, officers, other employees or stockholders governed by the internal-affairs doctrine.

In addition, our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America is the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. Additionally, our amended and restated certificate of incorporation provides that any person or entity holding, owning, purchasing or otherwise acquiring any interest in any of our securities is deemed to have notice of and consented to these provisions.

For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such Proceeding, and any other professional or entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering. However, these choice of forum provisions may limit a stockholder's ability to bring a Proceeding in a judicial forum that it finds favorable for disputes with us or our directors, officers, other employees or stockholders.

Further, these choice of forum provisions may increase the costs for a stockholder to bring such a Proceeding and may discourage them from doing so.

While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a Proceeding in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. If a court were to find either choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such Proceeding in other jurisdictions. For example, the Court of Chancery of the State of Delaware determined that the exclusive forum provisions of federal district courts of the United States of America for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Because we have no current plans to pay cash dividends on our common stock for the foreseeable future, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it.

We may retain future earnings, if any, for future operations, expansion and debt repayment and have no current plans to pay any cash dividends for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our board of directors may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur, including our senior credit facility. As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it.

As a result of becoming a public company, we are obligated to report on the effectiveness of our internal controls over financial reporting. These internal controls may not be effective and our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation.

As a public company, we are required to evaluate our internal controls over financial reporting. Furthermore, at such time as we cease to be an “emerging growth company,” as more fully described in the risk factor “*We are an “emerging growth company,” as defined in the Securities Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors,*” we will also be required to comply with Section 404 of the Sarbanes-Oxley Act. At such time, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. In addition, if we fail to achieve and maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act. We cannot be certain as to the timing of completion of our evaluation, testing and any remediation actions or the impact of the same on our operations. If we are not able to implement the requirements of Section 404 of the Sarbanes-Oxley Act in a timely manner or with adequate compliance, our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation. As of December 31, 2024, we remained an emerging growth company, and as such, our independent registered public accounting firm is not required to certify the effectiveness of our internal controls.

The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business, particularly after we are no longer an “emerging growth company” under the JOBS Act.

As a public company, we are subject to the reporting requirements of the Exchange Act, Nasdaq-related reporting requirements, and requirements of the Sarbanes-Oxley Act. These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and improve the effectiveness of our disclosure controls and procedures, we need to commit significant resources, hire additional staff and provide additional management oversight. We have been, and will continue to be, implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. Future growth may also require us to commit additional management, operational and financial resources to identify new professionals to join our firm and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management’s attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Operating as a public company makes it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. This could also make it more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees, or as executive officers.

Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common stock, fines, sanctions, and other regulatory action and potentially civil litigation, which could have a material adverse effect on our financial condition and results of operations.

As an “emerging growth company” under the JOBS Act, we are permitted to, and intend to, take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not “emerging growth companies,” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. When these exemptions cease to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them. We will remain an “emerging growth company” for up to five years, although we may cease to be an emerging growth company earlier under certain circumstances. See the risk factor “*We are an “emerging growth company,” as defined in the Securities Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors*” for additional information on when we may cease to be an emerging growth company. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs.

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

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our Company, the trading price for our common stock would be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of the analysts who covers us downgrades our common stock or publishes inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our common stock could decrease, which could cause our stock price and trading volume to decline.

We may be subject to securities litigation, which is expensive and could divert management attention.

The market price of our common stock may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management’s attention from other business concerns, which could seriously harm our business.

Our quarterly operating results and other operating metrics may fluctuate from quarter to quarter, which makes these metrics difficult to predict.

Our quarterly operating results and other operating metrics have fluctuated in the past and may continue to fluctuate from quarter to quarter. Additionally, our limited operating history makes it difficult to forecast our future results. As a result, you should not rely on our past quarterly operating results as indicators of future performance. You should take into account the risks and uncertainties frequently encountered by companies in rapidly evolving markets. Our financial condition and operating results in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including:

- the continued market acceptance of, and the growth of the body contouring market;
- our ability to maintain and attract new customers;
- our development and improvement of the quality of the AirSculpt® experience, including, improving our proprietary AirSculpt® method and innovating new procedures;
- any change in the competitive landscape of our market;
- pricing pressure as a result of competition or otherwise;
- delays or disruptions in our supply of handpieces;
- errors in our forecasting of the demand for our services, which could lead to lower revenue or increased costs, or both;
- increases in marketing, sales, and other operating expenses that we may incur to grow and expand our footprint and to remain competitive;

- the ability to maintain and open new centers;
- successful expansion into international markets;
- constraints on the availability of consumer financing or increased down payment requirements to finance our procedures;
- system failures or breaches of security or privacy;
- adverse litigation judgments, settlements, or other litigation-related costs;
- changes in the legislative or regulatory environment, including with respect to healthcare regulation, privacy, consumer product safety, and advertising, or enforcement by government regulators, including fines, orders, or consent decrees;
- fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies;
- changes in our effective tax rate;
- changes in accounting standards, policies, guidance, interpretations, or principles; and
- changes in business or macroeconomic conditions, including lower consumer confidence, recessionary conditions, increased unemployment rates, or stagnant or declining wages.

Any one of the factors above or the cumulative effect of some of the factors above may result in significant fluctuations in our operating results.

The variability and unpredictability of our quarterly operating results or other operating metrics could result in our failure to meet our expectations or those of analysts that cover us or investors with respect to revenue or other operating results for a particular period. If we fail to meet or exceed such expectations, the market price of our common stock could fall substantially and we could face costly lawsuits, including securities class action suits.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

The Company operates in the body contouring and cosmetic surgery industry, which is subject to various cybersecurity risks that could adversely affect our business, financial condition, and results of operations, including intellectual property theft, fraud, extortion, harm to employees or customers, violation of privacy laws and other litigation and legal risk and reputational risk. We have implemented a risk-based approach to identify and assess the cybersecurity threats that could affect our business and information systems. Our cybersecurity program is aligned with industry standards and best practices, specifically the National Institute of Standards and Technology (NIST) Cybersecurity Framework. We conduct a yearly third-party Security Risk Assessment (SRA) to identify the potential impact and likelihood of various cyber scenarios, including those involving third-party service providers, and to determine the appropriate mitigation strategies and controls. We also use this SRA to inform our yearly Cybersecurity roadmap and strategies to ensure the best IT security posture is implemented at the Company. We use various tools and methodologies to manage cybersecurity risk, including the use of a managed Enterprise Detection and Response (EDR) software with external Security Operations Center (SOC) real-time monitoring, email Data Loss Prevention (DLP) enabled, Multi-factor Authentication (MFA) mandatory in our IT environment, and Managed Detection and Response (MDR) for our Local Area Network (LAN) monitoring. All laptops and mobile endpoints are protected with an Operating System (OS) specific Mobile Device Management (MDM) software, which can be remotely disabled if necessary. In addition, we do daily cloud backups and regularly test the process to recover any lost or corrupted data. We also monitor and evaluate our cybersecurity posture and performance on an ongoing basis through regular vulnerability scans, penetration tests, and threat intelligence feeds, conducted by our third-party Managed Service Provider (MSP). We require third-party service providers with access to personal, confidential or proprietary information to implement and maintain comprehensive cybersecurity practices consistent with applicable legal standards and industry best practices.

Our business depends on the availability, reliability, and security of our information systems, networks, data, and intellectual property. Any disruption, compromise, or breach of our systems or data due to a cybersecurity threat or incident could adversely affect our operations, customer service, product development, and competitive position. They might also result in a breach of our contractual obligations or legal duties to protect the privacy and confidentiality of our stakeholders. Such a breach could expose us to business interruption, lost revenue, ransom payments, remediation costs, liabilities to affected parties, cybersecurity protection costs, lost assets, litigation, regulatory scrutiny and actions, reputational harm, customer dissatisfaction, harm to our vendor relationships, or loss of market share.

Our board of directors exercises its oversight role through the Audit Committee, which provides the board of directors with regular reports and findings from our Chief Financial Officer. Our Audit Committee Chair holds a Certification in Cybersecurity Oversight from the National Association of Corporate Directors. The effectiveness of the cybersecurity and information security program is tested through a combination of internal and external assessments. Updates are provided to senior management and the Audit Committee on a quarterly basis for informed decision-making and as part of the Company's broader risk management process.

Item 2. Properties

Our corporate headquarters are located in Miami Beach, Florida, where we occupy approximately 3,714 rentable square feet and Nashville, TN where we occupy approximately 3,332 square feet. We use these locations primarily for sales and marketing, information technology, social media content management, research and development, supply chain and logistics, finance, human resources, and editing related to AirSculpt® TV.

In addition to our corporate headquarters, as of the date of this Annual Report on Form 10-K, we operate thirty-two centers from which we offer AirSculpt® procedures.

State/Country	City	Number of Procedure Rooms
Arizona	Scottsdale	2
California	Beverly Hills	2
California	Orange County	2
California	Sacramento	3
California	San Diego	2
California	San Jose	2
Colorado	Denver	2
Florida	Orlando	2
Florida	Miami	2
Georgia	Atlanta	2
Illinois	Chicago	2
Illinois	Deerfield	2
Kansas	Kansas City	2
Massachusetts	Boston	3
Michigan	Birmingham	2
Minnesota	Minneapolis	2
Nevada	Las Vegas	2
New York	New York	2
New York	White Plains	2
North Carolina	Charlotte	2
North Carolina	Raleigh	2
Ohio	Columbus	2
Pennsylvania	Philadelphia	2
Tennessee	Nashville	2
Texas	Austin	2
Texas	Dallas	3
Texas	Houston	2
Utah	Salt Lake City	2
Washington	Seattle	2
Virginia	Vienna	2
Canada	Toronto	2
United Kingdom	London	2

We intend to procure additional space as we hire additional employees and expand geographically. We believe that our facilities are adequate to meet our needs for the immediate future and that suitable additional space will be available to accommodate any expansion of our operations as needed.

Item 3. Legal Proceedings

During the ordinary course of business, we have become and may in the future become subject to pending and threatened legal actions and proceedings, including with respect to the quality of our services. All of the current legal actions and proceedings that we are a party to are of an ordinary or routine nature incidental to our operations, the resolution of which should not have a material adverse effect on our financial condition, results of operations or cash flows. These claims, to the extent they exceed our insurance deductibles, are covered by insurance, but there can be no assurance that our insurance coverage will be adequate to cover any such liability.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock are traded on the Nasdaq Global Market under the symbol "AIRS."

Dividends

During the twelve months ended December 31, 2024, we paid a \$0.3 million dividend on our common stock. We currently intend to retain all available funds and future earnings and do not anticipate declaring or paying any cash dividends in the foreseeable future. Any determination to pay future dividends to holders of our common stock will be at the discretion of our board of directors and will depend on many factors, including our financial condition, results of operations, projections, liquidity, earnings, legal requirements, restrictions in the agreements governing any indebtedness we may enter into and other factors that our board of directors deems relevant.

Holders of Record

As of March 13, 2025, there were 58,574,516 issued and outstanding shares of common stock held by 32 stockholders of record. The number of record holders was determined from the records of our transfer agent and does not include beneficial owners whose shares of common stock are held in the names of various security brokers, dealers, and registered clearing agencies.

Equity Compensation Plans Information

The information required by Item 201(d) of Regulation S-K is provided under "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters—Equity Compensation Plan Information", incorporated herein by reference.

Item 6. Reserved

This item has been removed and reserved pursuant to SEC order.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read together with our financial statements and related notes and other financial information appearing elsewhere in this Annual Report on Form 10-K. This discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. See the section entitled "Cautionary Note Regarding Forward-Looking Statements" in this Annual Report on Form 10-K. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons, including those risks. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Annual Report. You should read this Annual Report completely, including Part I, Item 1A (Risk Factors) of this Annual Report and the "Forward-Looking Statements" sections of this Annual Report for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by our forward-looking statements contained in the following discussion and analysis. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

Unless otherwise indicated or the context otherwise requires, references in this Annual Report on Form 10-K to the "Company," "AirSculpt," "we," "us" and "our" refer to AirSculpt Technologies, Inc. and its consolidated subsidiaries and the Professional Associations.

Key Factors Affecting Our Performance

Our results of operations and financial condition have been, and will continue to be, affected by a number of factors, including the following:

Growth Initiatives and Strategic Priorities

Given the recent decline in revenue, the Company is focusing on stabilizing revenue growth through a number of strategic and growth initiatives, including:

- optimizing our marketing investment by spending on techniques that have proven successful for us in the past using a returns-based approach and testing new areas such as online video, and other social marketing channels under the direction of our new Chief Digital Officer;
- improving our go-to-market and sales strategies under our new Chief Sales Officer who is dedicated to strengthening our consultative sales model with enhanced training, improving our sales processes, and providing a greater focus on lead conversion;
- expanding consumer financing offerings; and
- focusing on new product innovation where we believe that there is an opportunity to introduce new services, particularly in the area of skin tightening, that would allow us to expand our customer reach and generate incremental revenues.

Our Ability to Attract New Patients

The decision to undergo an AirSculpt® procedure is driven by patient demand, which may be influenced by a number of factors, such as:

- general consumer confidence, which may be impacted by economic and political conditions;
- individual levels of disposable income to pay for our procedures and the continued availability of financing for our patients;
- the cost, safety and efficacy of AirSculpt® relative to other aesthetic products and alternative treatments;
- the increased market acceptance, availability and customer awareness of safer, more effective, easier to use and less expensive weight loss solutions, including weight loss drugs and other non-surgical weight loss and obesity solutions;
- the success of our sales and marketing programs;
- the perceived advantages or disadvantages of AirSculpt® compared to other aesthetic products and treatments;
- the extent to which our AirSculpt® procedure satisfies patient expectations;
- our ability to properly train our surgeons in performing AirSculpt® procedures such that our patients do not experience excessive discomfort during treatment or adverse side effects; and
- consumer sentiment about the benefits and risks of aesthetic procedures generally and AirSculpt® in particular.

Our Ability to Successfully Operate in New Markets

Our growth strategy depends, in large part, on successfully operating our new facilities, both in existing and new geographic regions, particularly in densely populated and affluent metropolitan and suburban regions.

Our ability to successfully operate new centers depends on many factors, including, among others, our ability to:

- recruit qualified surgeons for our new centers;
- address regulatory, competitive, marketing, and other challenges encountered in connection with expansion into new markets;
- hire, train and retain surgeons and other personnel;
- maintain adequate information system and other operational system capabilities;
- successfully integrate new centers into our existing management structure and operations, including information system integration;
- source sufficient levels of medical supplies at acceptable costs;
- obtain and maintain necessary permits and licenses;
- generate sufficient levels of cash or obtain financing on acceptable terms to support our expansion;
- achieve and maintain brand awareness in new and existing markets; and
- identify and satisfy the needs and preferences of our patients.

Our failure to effectively address challenges such as these could adversely affect our ability to operate new centers in a cost-effective manner.

In addition, there can be no assurance that newly-opened centers will achieve net sales or profitability levels comparable to those of our existing centers in the time periods estimated by us, or at all.

Key Operational and Business Metrics

In addition to the measures presented in our consolidated financial statements, we use the following key operational and business metrics to evaluate our business, measure our performance, develop financial forecasts and make strategic decisions:

Twelve months ended December 31, 2024, 2023 and 2022

- Cases performed were 14,036, 14,932 and 13,063 in 2024, 2023 and 2022, respectively;
- Revenue per case was \$12,849, \$13,121 and \$12,922 in 2024, 2023 and 2022, respectively;
- Same-center information:
 - Same-center revenue per case increased (2.4)%, 1.5%, and 7.4% in 2024, 2023, and 2022, respectively;
 - Same-center volume changed (13.7)%, (1.4)%, and 0.7% in 2024, 2023, and 2022, respectively;
- Net loss was \$(8.3) million, \$(4.5) million and \$(14.7) million in 2024, 2023 and 2022, respectively;
- Adjusted EBITDA* was \$20.7 million, \$43.2 million and \$38.9 million in 2024, 2023 and 2022, respectively;
- Adjusted EBITDA Margin* was 11.5%, 22.1% and 23.0% in 2024, 2023 and 2022, respectively;
- Loss per share was \$(0.14), \$(0.08) and \$(0.26) for 2024, 2023 and 2022, respectively; and
- Adjusted Net Income per share (diluted)* was \$0.02, \$0.28 and \$0.32 in 2024, 2023 and 2022, respectively.

* For a reconciliation of Adjusted EBITDA, Adjusted EBITDA margin, Adjusted Net Income and Adjusted Net Income per share, which are all non-GAAP measures, to the most directly comparable GAAP financial measures, information about why we consider them useful and a discussion of the material risks and limitations of these measures, please see “—Non-GAAP Financial Measures—Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Net Income per Share.”

Cases Performed and Revenue per Case

Our case volumes in the table below, which are used for calculating revenue per case, represent one patient visit; notwithstanding that, a patient may have multiple areas treated during one visit. We believe this provides the best approach for assessing our revenue performance and trends.

Total Case and Revenue Metrics

	Twelve Months Ended December 31,		
	2024	2023	2022
Cases	14,036	14,932	13,063
Case growth	(6.0)%	14.3 %	N/A
Revenue per case	\$ 12,849	\$ 13,121	\$ 12,922
Revenue per case growth	(2.1)%	1.5 %	N/A
Number of facilities	32	27	22
Number of total procedure rooms	67	57	47

Same-Center Case and Revenue Metrics

Same-Center Information

For the twelve months ended December 31, 2024 and 2023, we define same-center case and revenue growth as the growth in each of our cases and revenue at facilities that were owned and operated during the twelve months ended December 31, 2024 and 2023, respectively. At facilities that were not owned or operated for the entirety of the prior year period, the current year period has been pro-rated to reflect only growth experienced during the portion of the twelve months ended December 31, 2024 in which such facilities were owned and operated during the twelve months ended December 31, 2023. We define same-center facilities and procedure rooms based on if a facility was owned or operated as of December 31, 2023.

	Twelve Months Ended December 31,	
	2024	2023
Cases	12,892	14,932
Case growth	(13.7)%	N/A
Revenue per case	\$ 12,801	\$ 13,121
Revenue per case growth	(2.4)%	N/A
Number of facilities	27	27
Number of total procedure rooms	57	57

Our same-store revenue decline is primarily attributed to weaker than expected performance across the broader aesthetics and high-end retail industries.

For the years ended December 31, 2023 and 2022, we define same-center case and revenue growth as the growth in each of our cases and revenue at facilities that have been owned and operated for at least twelve months as of December 31, 2023. We define same-center facilities and procedure rooms as facilities and procedure rooms that have been owned or operated for at least twelve months as of December 31, 2023.

	Twelve Months Ended December 31,	
	2023	2022
Cases	12,859	13,041
Case growth	(1.4)%	N/A
Revenue per case	\$13,114	\$12,923
Revenue per case growth	1.5 %	N/A
Number of total facilities	21	21
Number of total procedure rooms	45	45

Non-GAAP Financial Measures—Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, and Adjusted Net Income per Share

We report our financial results in accordance with accounting principles generally accepted in the United States of America ("GAAP"), however, management believes the evaluation of our ongoing operating results may be enhanced by a presentation of Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and Adjusted Net Income per Share, which are non-GAAP financial measures.

We define Adjusted EBITDA as net loss excluding depreciation and amortization, net interest expense, income tax expense, restructuring and related severance costs, loss on debt modification, loss/(gain) on disposal of long-lived assets, settlement costs for non-recurring litigation, and equity-based compensation.

We define Adjusted Net Income as net loss excluding restructuring and related severance costs, loss/(gain) on disposal of long-lived assets, settlement costs for non-recurring litigation, equity-based compensation and the tax effect of these adjustments.

We include Adjusted EBITDA and Adjusted Net Income because they are important measures on which our management assesses and believes investors should assess our operating performance. We consider Adjusted EBITDA and Adjusted Net Income each to be an important measure because they help illustrate underlying trends in our business and our historical operating performance on a more consistent basis. Adjusted EBITDA has limitations as an analytical tool including: (i) Adjusted EBITDA does not include results from equity-based compensation and (ii) Adjusted EBITDA does not reflect

interest expense on our debt or the cash requirements necessary to service interest or principal payments. Adjusted Net Income has limitations as an analytical tool because it does not include results from equity-based compensation.

We define Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of revenue. We define Adjusted Net Income per Share as Adjusted Net Income divided by weighted average basic and diluted shares. We included Adjusted EBITDA Margin and Adjusted Net Income per Share because they are important measures on which our management assesses and believes investors should assess our operating performance. We consider Adjusted EBITDA Margin and Adjusted Net Income per Share to be important measures because they help illustrate underlying trends in our business and our historical operating performance on a more consistent basis.

The following table reconciles Adjusted EBITDA and Adjusted EBITDA Margin to net loss, the most directly comparable GAAP financial measure:

(\$ in thousands)	Twelve Months Ended December 31,		
	2024	2023	2022
Net loss	\$ (8,251)	\$ (4,479)	\$ (14,679)
<i>Plus</i>			
Equity-based compensation ⁽¹⁾	3,762	18,224	29,457
Loss on debt modification	—	—	932
IPO related costs	—	—	731
Restructuring and related severance costs	6,026	5,488	4,111
Depreciation and amortization	11,888	10,253	8,061
Loss/(gain) on disposal of long-lived assets	16	(212)	147
Litigation settlements ⁽²⁾	850	—	—
Interest expense, net	6,247	6,485	6,751
Income tax expense	188	7,477	3,383
Adjusted EBITDA	\$ 20,726	\$ 43,236	\$ 38,894
Adjusted EBITDA Margin	11.5 %	22.1 %	23.0 %

(1) During the first quarter of fiscal year 2024, the Company recorded a cumulative reversal of stock compensation expense of \$10.4 million related to reassessing the probability of achieving the performance target on certain of the Company's performance-based stock units. See Note 6 to the consolidated financial statements included in this Annual Report on Form 10-K for further discussion.

(2) This amount relates to settlement costs for non-recurring litigation of \$0.9 million for the twelve months ended December 31, 2024.

For the twelve months ended December 31, 2024, 2023, and 2022 pre-opening de novo and relocation costs were \$1.0 million, \$3.3 million, and \$4.3 million, respectively.

The following table reconciles Adjusted Net Income and Adjusted Net Income per Share to net loss, the most directly comparable GAAP financial measure:

(\$ in thousands)	Twelve Months Ended December 31,		
	2024	2023	2022
Net loss	\$ (8,251)	\$ (4,479)	\$ (14,679)
<i>Plus</i>			
Equity-based compensation ⁽¹⁾	3,762	18,224	29,457
Loss on debt modification	—	—	932
IPO related costs	—	—	731
Restructuring and related severance costs	6,026	5,488	4,111
Loss/(gain) on disposal of long-lived assets	16	(212)	147
Litigation settlements	850	—	—
Tax effect of adjustments	(1,271)	(2,732)	(2,195)
Adjusted net (loss)/income	\$ 1,132	\$ 16,289	\$ 18,504
Adjusted net (loss)/income per share of common stock ⁽²⁾			
Basic	\$ 0.02	\$ 0.29	\$ 0.33
Diluted	\$ 0.02	\$ 0.28	\$ 0.32
Weighted average shares outstanding			
Basic	57,688,906	56,778,793	55,684,701
Diluted	58,281,133	57,611,469	57,918,005

(1) During the first quarter of fiscal year 2024, the Company recorded a cumulative reversal of stock compensation expense of \$10.4 million related to reassessing the probability of achieving the performance target on certain of the Company's performance-based stock units. See Note 6 to the consolidated financial statements included in this Annual Report on Form 10-K for further discussion.

(2) Diluted Adjusted Net Income Per Share is computed by dividing adjusted net income by the weighted-average number of shares of common stock outstanding adjusted for the dilutive effect of all potential shares of common stock.

Our Operating Structure

The Company owns and operates non-clinical assets and provides Management Services, through its wholly-owned subsidiaries, to our affiliated Professional Associations located across the United States under the MSAs. The Management Services provide for the administration of the non-clinical aspects of the medical operations and include, but are not limited to, financial, administrative, technical, marketing and personnel services. We do not practice medicine. The Professional Associations, which are all owned by licensed surgeons, are responsible for all clinical aspects of the medical operations that take place in each of our centers.

Our consolidated financial statements present the results of operations and financial position of the Company, its wholly-owned subsidiaries and each of the Professional Associations that we manage under the MSAs.

Even though we do not have voting control over the Professional Associations, we have a long-term and unilateral controlling financial interest over such Professional Associations' assets and operations under the MSAs. As a result, GAAP require us to consolidate the results of the Professional Associations into our financial statements. All of our revenue is earned from services provided by the Professional Associations we manage. See "Critical Accounting Policies and Estimates."

Components of Results of Operations

Revenue

Our revenue is generated from our patented AirSculpt® procedures performed on our patients. We are 100% self-pay and do not accept payments from the U.S. federal government or payer organizations. We assist patients, as needed, by providing third-party financing options to pay for procedures. We have arrangements with various financing companies to

facilitate this option. There is a financing transaction fee based on a set percentage of the amount financed. We recognize revenue based on the expected transaction price which is reduced for financing fees.

Our policy is to require full payment for services in advance of performing a procedure. Payments received for which services have yet to be performed for all reported periods are included in deferred revenue and patient deposits on our balance sheets.

Cost of Service (excluding depreciation and amortization)

Cost of service is comprised of all service and product costs related to the delivery of procedures, including but not limited to compensation to our physicians and clinical staff, medical supply costs, and facility-related rent expense.

Operating Expense

Selling, General and Administrative

Selling, general and administrative consists of marketing and advertising expenses we incur to market our patented AirSculpt® procedures to potential patients and general and administrative costs, including rent for our corporate offices.

Selling Expenses

Selling expenses consist of advertising costs for social, digital and traditional marketing and sales and marketing personnel. Our advertising costs include both national and site-based advertising used to generate greater awareness and engagement among our current and potential patients. Our advertising costs include social media, digital marketing and traditional advertising. Selling expenses include salaries and commissions for employees engaged in marketing and sales. We define our customer acquisition costs as the total selling expenses per case.

We generally expect our selling expenses to increase as we continue to grow our brand and expand our national footprint. We evaluate our selling expense as compared to growth in our sales volume and will invest accordingly to the extent we believe we can position ourselves for future growth without materially negatively impacting our Adjusted EBITDA Margins.

General and Administrative

General and administrative expenses include employee-related expenses, including salaries and related costs (excluding physician and clinical cost included in cost of service and the salaries and commissions of sales and marketing employees), equity-based compensation, technology, operations, finance, legal, corporate office rent and human resources. We expect our general and administrative expenses to increase over time due to the additional legal, accounting, insurance, investor relations and other costs that we will continue to incur as a public company.

Interest Expense

Interest expense, net consists primarily of interest costs on our outstanding borrowings under our debt.

Results of Operations

The following table and notes summarize certain results from the statements of operations for each of the periods indicated and the changes between periods. The table also shows the percentage relationship to revenue for the periods indicated:

(\$ in 000s)	Twelve Months Ended December 31,					
	2024		2023		2022	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Revenue	\$ 180,350	100.0 %	\$ 195,917	100.0 %	\$ 168,794	100.0 %
Operating expenses:						
Cost of service	71,382	39.6 %	74,012	37.8 %	62,781	37.2 %
Selling, general and administrative	98,880	54.8 %	102,381	52.3 %	101,418	60.1 %
Depreciation and amortization	11,888	6.6 %	10,253	5.2 %	8,061	4.8 %
Loss/(gain) on disposal of long-lived assets	16	— %	(212)	(0.1)%	147	0.1 %
Total operating expenses	182,166	101.0 %	186,434	95.2 %	173,339	102.7 %
Loss/(income) from operations	(1,816)	(1.0)%	9,483	4.8 %	(4,545)	(2.7)%
Interest expense, net	6,247	3.5 %	6,485	3.3 %	6,751	4.0 %
Pre-tax net (loss)/income	(8,063)	(4.5)%	2,998	1.5 %	(11,296)	(6.7)%
Income tax (benefit)/expense	188	0.1 %	7,477	3.8 %	3,383	2.0 %
Net loss	\$ (8,251)	(4.6)%	\$ (4,479)	(2.3)%	\$ (14,679)	(8.7)%

Twelve Months Ended December 31, 2024 Compared to Twelve Months Ended December 31, 2023

Overview— Our financial results for the twelve months ended December 31, 2024 compared to the twelve months ended December 31, 2023 reflect the addition of five de novo centers which increased procedure rooms by ten.

Revenue—Our revenue decreased \$15.6 million, or 7.9%, compared to the same period in 2023. The decrease is primarily attributed to weaker than expected performance across the broader aesthetics and high-end retail industries.

Cost of Service—Our cost of service decreased \$2.6 million, or 3.6%, compared to the twelve months ended December 31, 2023. The percentage decrease in cost of service is driven by the decrease in cases compared to the 2023 period and partially offset by increases in nursing and rent costs related to our new facility openings during the 2024 period. Cost of service was 39.6% and 37.8% as a percentage of revenue for the twelve months ended December 31, 2024 and 2023, respectively. The percentage increase is primarily due to the decline in revenue and not being able to leverage certain fixed costs within cost of service such as rent and certain nursing costs.

Selling, General and Administrative Expenses—Selling, general and administrative expenses decreased \$3.5 million, or 3.4%, for the twelve months ended December 31, 2024 compared to the same period in 2023. This decrease is related to a decrease in our equity-based compensation expense (see Note 6 to the consolidated financial statements included in this Annual Report on Form 10-K for further discussion) partially offset by additional expenses we incurred for marketing and corporate support as we grow our center count through de novo expansion and providing support for our centers. We expect our marketing and corporate support costs to continue to increase on an absolute dollar basis as we open de novo centers. Selling, general and administrative expenses as a percent of revenue were 54.8% and 52.3% for the twelve months ended December 31, 2024 and 2023, respectively.

Selling expenses consist of advertising costs for social, digital and traditional marketing and sales and marketing personnel. Total selling expenses were approximately \$43.9 million and \$36.8 million for the twelve months ended December 31, 2024 and 2023, respectively. Our customer acquisition costs were approximately \$3,130 and \$2,465 per customer in the twelve months ended December 31, 2024 and 2023, respectively. We intend to continue investing in our sales and marketing capabilities as we add new centers. Additionally, selling expenses as a percentage of revenue may fluctuate from quarter to quarter based on the timing and scope of our initiatives and the related impact to our revenue.

General and administrative expenses include employee-related expenses, including salaries and related costs (excluding physician and clinical cost included in cost of service), equity-based compensation, technology, operations, finance, legal, corporate office rent and human resources. General and administrative expense were approximately \$54.9 million and

\$65.6 million for the twelve months ended December 31, 2024 and 2023, respectively. This reduction is due to a decrease in equity-based compensation (see Note 6 to the consolidated financial statements included in this Annual Report on Form 10-K for further discussion).

Depreciation and Amortization—Depreciation and amortization increased to approximately \$11.9 million for the twelve months ended December 31, 2024 compared to \$10.3 million for the same period in 2023. This increase is the result of having five additional de novo centers during the twelve months ended December 31, 2024 as compared to the 2023 period.

Interest Expense, net—Interest expense decreased to \$6.2 million from \$6.5 million for the twelve months ended December 31, 2024 and 2023, respectively. The decrease is due to the lower principal balance resulting from the Company's voluntary \$10 million prepayment made in 2023.

Income Tax Expense—Our effective tax rate is (2.3)% and 249.4% for the twelve months ended December 31, 2024 and 2023, respectively. The main driver of the difference between the effective and statutory rate is non-deductible executive compensation under Section 162(m) of the Internal Revenue Code.

Twelve Months Ended December 31, 2023 Compared to Twelve Months Ended December 31, 2022

Overview—Our financial results for the twelve months ended December 31, 2023 compared to the twelve months ended December 31, 2022 reflect the addition of five de novo centers which increased procedure rooms by 10.

Revenue—Our revenue increased \$27.1 million, or 16.1%, compared to the same period in 2022. The increase is the result of adding five de novo centers which increased our footprint from 22 centers to 27 centers as of December 31, 2023.

Cost of Service—Our cost of service increased \$11.2 million, or 17.9%, compared to the twelve months ended December 31, 2022. This increase is primarily attributable to opening five de novo centers since the 2022 period. Cost of service was 37.8% and 37.2% as a percentage of revenue for the twelve months ended December 31, 2023 and 2022, respectively.

Selling, General and Administrative Expenses—Selling, general and administrative expenses increased \$1.0 million, or 0.9%, for the twelve months ended December 31, 2023 compared to the same period in 2022. This increase is related to additional expenses we incurred for marketing and corporate support as we grow our center count through de novo expansion and providing support for our centers, offset by a decrease in our equity-based compensation expense. Selling, general and administrative expenses as a percent of revenue were 52.3% and 60.1% for the twelve months ended December 31, 2023 and 2022, respectively.

Selling expenses consist of advertising costs for social, digital and traditional marketing and sales and marketing personnel. Total selling expenses were approximately \$36.8 million and \$30.1 million for the twelve months ended December 31, 2023 and 2022, respectively. Our customer acquisition costs were approximately \$2,465 and \$2,300 per customer in the twelve months ended December 31, 2023 and 2022, respectively. We intend to continue investing in our sales and marketing capabilities as we add new centers and further increase our brand awareness, which will also drive further same-center growth. As a result, we expect these costs to increase on an absolute dollar basis. Additionally, selling expenses as a percentage of revenue may fluctuate from quarter to quarter based on the timing and scope of our initiatives and the related impact to our revenue.

General and administrative expenses include employee-related expenses, including salaries and related costs (excluding physician and clinical cost included in cost of service), equity-based compensation, technology, operations, finance, legal, corporate office rent and human resources. General and administrative expense were approximately \$65.6 million and \$71.3 million for the twelve months ended December 31, 2023 and 2022, respectively. This reduction is due to a decrease in equity-based compensation.

Depreciation and Amortization—Depreciation and amortization increased to approximately \$10.3 million for the twelve months ended December 31, 2023 compared to \$8.1 million for the same period in 2022. This increase is the result of having five additional de novo centers during the twelve months ended December 31, 2023 as compared to the 2022 period.

(Gain)/loss on disposal of long-lived assets—For the twelve months ended December 31, 2023, we recognized a \$212,000 gain related to the disposal of previous property, plant, and equipment as a result of relocation to expand certain centers.

Interest Expense, net—Interest expense decreased to \$6.5 million from \$6.8 million for the twelve months ended December 31, 2023 and 2022, respectively. The decrease is due to the lower principal balance resulting from the Company's voluntary \$10 million prepayment made in 2023.

Income Tax Expense— Our effective tax rate is 249.4% and (29.9)% for the twelve months ended December 31, 2023 and 2022, respectively. The main driver of the difference between the effective and statutory rate is non-deductible executive compensation under Section 162(m) of the Internal Revenue Code.

Liquidity and Capital Resources

We principally rely on cash flows from operations as our primary source of liquidity and, if needed, up to \$5.0 million in revolving loans under our revolving credit facility. Our primary cash needs are for payroll, marketing and advertisements, rent, debt service, as well as information technology and infrastructure, including our corporate office. As we have experienced revenue declines in the most recent year, we have implemented a cost reduction program that is estimated to eliminate approximately \$3 million in annual overhead costs and contracted expenses. These initiatives may not realize anticipated savings or benefits from one or more of the various strategies and cost-savings initiatives undertaken as part of these efforts in full or in part or within the time periods expected. We also may not realize the increase in sales related to these initiatives. Our ability to improve operating results depends upon a significant number of factors, some of which are beyond our control. If we are unable to realize the anticipated savings or benefits, or otherwise fail to implement the growth strategies, the business operating results and liquidity may be adversely affected.

We believe that the cash expected to be generated from operations will be sufficient for our working capital requirements, liquidity obligations, and payments due under our existing credit facilities for at least the next 12 months.

As of December 31, 2024, we had \$8.2 million in cash and cash equivalents with no availability under our revolving credit facility. We do not have any letters of credit outstanding as of December 31, 2024.

As of December 31, 2023, we had \$10.3 million in cash and cash equivalents and an available amount of \$5.0 million under our revolving credit facility. We did not have any letters of credit outstanding as of December 31, 2023.

The following table summarizes the net cash provided by (used for) operating activities, investing activities and financing activities for the periods indicated:

(\$ in 000s)	Twelve Months Ended December 31,		
	2024	2023	2022
Cash Flows Provided By (Used For):			
Operating activities	\$ 11,350	\$ 23,956	\$ 24,447
Investing activities	(14,007)	(9,919)	(12,921)
Financing activities	630	(13,391)	(27,257)
Net (decrease)/increase in cash and cash equivalents	(2,027)	646	(15,731)

Operating Activities

The primary source of our operating cash flow is the collection of patient payments received prior to performing surgical procedures. For the twelve months ended December 31, 2024, our operating cash flow decreased by \$12.6 million compared to the same period in 2023. The decrease is primarily attributed to weaker than expected revenue performance and an increase in our marketing investments during the twelve months ended December 31, 2024 as compared to the prior year period. At December 31, 2024, we had working capital of \$(11.5) million compared to \$(4.4) million at December 31, 2023.

For the twelve months ended December 31, 2023, our operating cash flow decreased by \$0.5 million compared to the same period in 2022. The decrease is related to having more restructuring and related severance costs and the timing of working capital payments primarily related to lease deposits on upcoming de novo projects. At December 31, 2023, we had working capital of \$(4.4) million compared to \$(5.6) million at December 31, 2022.

Investing Activities

Net cash used in investing activities for the twelve months ended December 31, 2024, 2023, and 2022 was \$14.0 million, \$9.9 million, and \$12.9 million, respectively. Investing activities during all three periods were attributable to the preparation for the opening of de novo locations and the relocation of multiple existing facilities.

Financing Activities

Net cash used in financing activities during the twelve months ended December 31, 2024 was \$0.6 million. During the twelve months ended December 31, 2024, we made principal payments on our debt of \$2.1 million, borrowed \$5.0 million on our revolving credit facility, and made payments of taxes withheld through vested equity-based compensation of \$0.9 million.

Net cash used in financing activities for the twelve months ended December 31, 2023 was \$13.4 million. For the twelve months ended December 31, 2023, we paid cash dividends to stockholders of \$0.4 million and made principal payments on our debt of \$12.1 million.

Net cash used in financing activities for the twelve months ended December 31, 2022 was \$27.3 million. For the twelve months ended December 31, 2022, we made distributions to our former member of \$1.2 million, paid cash dividends to stockholders of \$23.2 million, and made payments of taxes withheld through vested equity-based compensation of \$2.0 million. Finally, we made principal payments on our debt of \$84.3 million offset by borrowings of new debt of \$83.5 million.

Material Cash Requirements

The following table summarizes our material cash requirements as of December 31, 2024:

(\$ in thousands)	Payments due by Period				
	Total	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years
Debt – principal and revolver ⁽¹⁾	\$ 75,750	\$ 4,250	\$ 71,500	\$ —	\$ —
Interest expense ⁽²⁾	14,636	5,557	9,079	—	—
Operating lease agreements	43,933	7,409	19,936	7,993	8,595
Total	\$ 134,319	\$ 17,216	\$ 100,515	\$ 7,993	\$ 8,595

(1) Years 1-3 includes both the principal of the Term Loan as well as the revolving credit facility. This amount does not reflect any prepayments.

(2) Amounts in the table reflect the contractually required interest payable pursuant to borrowings under our debt related to our Credit Agreement. Interest payments in the table above were calculated using an interest rate of 7.86% for the debt which was the interest rate applicable to the borrowing as of December 31, 2024.

Long-Term Debt

The carrying value of our total indebtedness was \$74.7 million and \$71.6 million, which includes unamortized deferred financing costs and issuance discount of \$1.0 million and \$1.2 million, and funds drawn on the revolving credit facility of \$5.0 million and \$—, as of December 31, 2024 and December 31, 2023, respectively.

On November 7, 2022, the Company entered into the Term Loan and Revolving Credit Facility pursuant to the Credit Agreement with a syndicate of lenders, originally maturing November 7, 2027. Pursuant to the Credit Agreement, there is (i) an \$85.0 million original aggregate principal amount of term loans and (ii) a revolving loan facility in an aggregate principal amount of up to \$5.0 million. On September 29, 2023, the Company voluntarily pre-paid \$10.0 million of the principal balance of the term loans under the Credit Agreement using cash on hand.

Under the Credit Agreement, all outstanding loans bear interest based on either a base rate or SOFR plus an applicable per annum margin. The applicable per annum margin is 2.0% or 3.0% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.0x. If the Company's total leverage ratio is equal to or greater than 1.0x and less than 2.0x, the applicable per annum margin is 1.5% or 2.5% for base rate or SOFR, respectively. If the Company's total leverage ratio is below 1.0x, the applicable per annum margin is 1.0% or 2.0% for base rate or SOFR, respectively.

On September 13, 2024, the Company amended the Credit Agreement to modify certain financial condition covenants and the applicable margins. As such, for the period of September 13, 2024 through June 30, 2025, the applicable per annum margin is 2.5% or 3.5% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.0x. If the Company's total leverage ratio is equal to or greater than 1.0x and less than 2.0x, the applicable per annum margin is 2.0% or 3.0% for base rate or SOFR, respectively. If the Company's total leverage ratio is below 1.0x, the applicable per annum margin is 1.5% or 2.5% for base rate or SOFR, respectively. As of December 31, 2024, the interest rate was 7.86%.

On March 12, 2025, the Company entered the Third Amendment. Under the terms of the Third Amendment, the parties thereto agreed to modify certain financial condition covenants made by the Company under the Term Loan and Revolving Credit Facility, such that (i) the Consolidated Fixed Charge Coverage Ratio (as defined in the Credit Agreement) of the Company and its subsidiaries as of the last day of the fiscal quarters ending March 31, 2025 and June 30, 2025 must be no less than 0.50x and 1.10x, respectively, and no less than 1.25x on the last day of the fiscal quarters ending September 30, 2025 and thereafter, instead of 1.10x as of March 31, 2025 and 1.25x as of June 30, 2025 and thereafter, as previously set forth in the Credit Agreement; (ii) the Consolidated Leverage Ratio (as defined in the Credit Agreement) of the Company and its subsidiaries as of the last day of the fiscal quarters ending March 31, 2025, June 30, 2025, September 30, 2025, December 31, 2025 and March 31, 2026, must not exceed 4.25x, 3.50x, 3.25x, 3.25x, and 2.75x, respectively, and the Consolidated Leverage Ratio as of the last day of each fiscal quarter thereafter must not exceed 2.25x, instead of 3.25x as of March 31, 2025, 2.75x as of June 30, 2025, and 2.25x thereafter, as previously set forth in the Credit Agreement; (iii) the Company and its subsidiaries will be required to maintain minimum Liquidity (as defined in the Credit Agreement) of not less than (A) \$3,000,000.00 as of the last day of the month ending March 31, 2025, (B) \$5,000,000 as of the last day of the month ending April 30, 2025, and (C) \$7,500,000.00 as of the last day of the months ending May 31, 2025 and thereafter (or the last day of each fiscal quarter thereafter upon the satisfaction of certain financial tests described therein); and (iv) new liquidity and financial reporting requirements have been added.

In addition to revising the covenants listed above, the amendment revised or added new terms such that (i) for outstanding loans, beginning on or about July 1, 2025, the applicable per annum margin will be increased to 3.75% or 4.75% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 3.00x, 3.50% or 4.50% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.00x and less than 3.00x, and 3.25% or 4.25% for base rate or SOFR, respectively, if the Company's total leverage ratio is below 2.00x, (ii) the Term Loan and Revolving Credit Facility will mature on May 11, 2027 (instead of November 7, 2027); (iii) Liquidity in excess of \$3.0 million will be used to repay the outstanding funds drawn on the revolving credit facility on a monthly basis beginning April 30, 2025; (iv) revolver draws will be subject to compliance with the minimum Liquidity covenant; and (v) the Company will be required to reimburse SVB for certain fees and expenses relating to the engagement of a financial advisor, and (vi) 100% of first \$10.0 million of any equity proceeds will be used to repay the Term Loan and Revolving Credit Facility, subject to a carve-out of the first \$3.0 million of equity proceeds and any equity proceeds received from Sponsor. In consideration of the Third Amendment, the Company paid a fee equal to 0.15% of the outstanding loans to consenting Lenders, and a \$125,000 arrangement fee to SVB. On March 12, 2025, in connection with the Third Amendment, the Company, SVB and our Sponsor (through certain affiliated entities) entered into the Limited Guarantee, pursuant to which our Sponsor agreed to provide a \$10.0 million limited guaranty of the Company's obligations under the Credit Agreement. The Limited Guarantee is callable on June 15, 2025 (or upon the earlier occurrence of certain defaults described therein) if the Company has not prepaid the Term Loan (excluding regularly scheduled amortization) by \$10.0 million as of such date. Under the terms of the Limited Guarantee, if Sponsor is required to make any payment under the Limited Guarantee (other than as a result of a bankruptcy event), then Sponsor will be deemed to have purchased shares of common stock of the Company having an aggregate value equal to the amount of such payment. The Company has agreed to issue a subordinated note to Sponsor if a payment occurs under the Limited Guarantee, to the extent such payment does not result from the issuance of shares of common stock by the Company to Sponsor.

JOBS Act Accounting Election

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the 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 irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

Subject to certain conditions set forth in the JOBS Act, if, as an “emerging growth company,” we choose to rely on such exemptions we may not be 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, (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 PCAOB 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 CEO’s compensation to median employee compensation. These exemptions will apply for a period of five years following the completion of our IPO or until we are no longer an “emerging growth company,” whichever is earlier.

Critical Accounting Policies and Estimates

Our management’s discussion and analysis of financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue, costs and expenses and the disclosure of contingent assets and liabilities, if applicable, in our consolidated financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are 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. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions. While our significant accounting policies are described in greater detail in *Note 1—“Organization and Summary of Key Accounting Policies,”* to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our consolidated financial statements. In addition, refer to *Note 1—“Organization and Summary of Key Accounting Policies,”* in our consolidated financial statements for a summary of recent and pending accounting standards.

Revenue Recognition

We have adopted ASC Topic 606, *Revenue from Contracts with Customers* (“ASC 606”). Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, we perform the following five steps:

- i. Identify the contract(s) with a customer;
- ii. Identify the performance obligations in the contract;
- iii. Determine the transaction price;
- iv. Allocate the transaction price to the performance obligations in the contract; and
- v. Recognize revenue as the entity satisfies a performance obligation.

Our revenue consists primarily of revenue earned for the provision of the Company’s patented AirSculpt® procedures. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account for revenue recognition. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Our performance obligations are delivery of specialty, minimally invasive liposuction services.

Revenue for services is recognized over time as the service is delivered, typically over a single day. Payment is typically rendered in advance of the service. Customer contracts generally do not include more than one performance obligation.

Our policy is to require payment for services in advance of performing any procedure. Payments received for which services have yet to be performed were \$1.2 million as of December 31, 2024 and \$1.5 million as of December 31, 2023, respectively and are included in deferred revenue and patient deposits on our balance sheets.

Variable Interest Entities

Some states have laws that prohibit business entities with non-physician owners from practicing medicine, which are generally referred to as the corporate practice of medicine. States that have corporate practice of medicine laws require only physicians to practice medicine, exercise control over medical decisions or engage in certain arrangements with other physicians, such as fee-splitting. Therefore, we mainly operate by maintaining MSAs with our affiliated Professional

Associations, which are owned, directly or indirectly, and operated by a licensed surgeon, and which contract with individual surgeons to provide medical services. Under the MSAs, we provide and perform non-medical Management Services for which we are paid a management fee by each Professional Association. See “Business—Surgeon Practice Structure—Management Services Agreements.”

The surgeons contracted by the Professional Associations are exclusively in control of, and responsible for, all aspects of the practice of medicine. Each surgeon owner of a Professional Association (each a “Surgeon Owner,” and collectively, the “Surgeon Owners”) is also party to a continuity agreement (each, a “Continuity Agreement,” and collectively, the “Continuity Agreements”), which (i) prohibits the applicable surgeons from freely transferring or selling their interests in the Professional Associations, (ii) provides for the ability to add a second surgeon equity holder to help ensure continuity of the Professional Association, and (iii) provides for the automatic transfer of ownership upon the occurrence of certain events, save that, due to limitations under New York law, there is no Continuity Agreement in place with respect to the New York Professional Association. See “Business—Surgeon Practice Structure—Continuity Agreements.”

In accordance with relevant accounting guidance, each of these Professional Associations is determined to be a variable interest entity. AirSculpt has the ability, through the Management Services and (with the exception of New York) Continuity Agreements to direct the activities (excluding clinical decisions) that most significantly affect the Professional Associations’ economic performance. Accordingly, we are the primary beneficiary of the Professional Associations, and, in accordance with GAAP, we consolidate the Professional Associations into our financial statements. All management fee revenue and related expenses are eliminated in consolidation, and all of the revenue reflected in our financial statements is revenue from services provided by the affiliated Professional Associations to patients.

Goodwill and intangible assets

Indefinite-lived, non-amortizing intangible assets include goodwill. Goodwill represents the excess of the fair value of the consideration conveyed in the acquisition over the fair value of net assets acquired. Goodwill is not amortized but is evaluated annually for impairment or sooner if factors occur that would trigger an impairment review. Our judgments regarding the existence of impairment indicators are based on market conditions and operational performance.

Definite-lived, amortizing intangible assets primarily consist of trademarks and tradenames, patents and other intellectual property. We amortize definite-lived identifiable intangible assets on a straight-line basis over their estimated useful life of 15 years.

Impairment of goodwill

Goodwill represents the excess of purchase price over the fair value of net assets acquired in a business combination. Goodwill is not amortized but evaluated for impairment at least annually at the reporting unit level or whenever events or changes in circumstances indicate that the value may not be recoverable. Events or changes in circumstances which could trigger an impairment review include significant adverse changes in the business climate, unanticipated competition, a loss of key personnel, or the strategy for our overall business, significant industry or economic trends, or significant underperformance relevant to expected historical or projected future results of operations.

Goodwill is assessed for possible impairment by performing a qualitative analysis to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the events or circumstances, we determine it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then additional impairment testing is not required. However, if we were to believe our fair value was more likely lower than our carrying value, then we are required to perform a quantitative analysis.

The quantitative analysis involves comparing the estimated fair value of a reporting unit with its respective book value, including goodwill. If the estimated fair value exceeds book value, goodwill is considered not to be impaired and no additional steps are necessary. If, however, the fair value of the reporting unit is less than its book value, then the carrying amount of the goodwill is reduced by recording an impairment loss in an amount equal to the excess. We review goodwill for impairment annually in the month of October.

We performed our annual review of goodwill impairment in October 2024 and 2023 using a qualitative analysis and determined that a quantitative analysis was not required. There were no triggering events during the twelve months ended December 31, 2024 and 2023.

Equity-Based Compensation

We recognize equity-based compensation expense for employees and non-employees based on the grant-date fair value of awards over the applicable service period. See “Note 6 - Stockholders' Equity and Equity-based Compensation” for further

discussion of the awards outstanding. The grant date fair value of awards that contain market-based conditions are estimated using a Monte Carlo simulation model.

Determining the fair value of market-based awards requires judgment. The assumptions used in a Monte Carlo simulation model requires the input of subjective assumptions and are as follows:

- Expected volatility—Expected volatility is based on historical volatilities of a publicly traded peer group based on daily price observations over a period equivalent to the expected term of the market-based PSU awards.
- Expected term—The term is estimated in consideration of the time period expected to achieve the market condition.
- Risk-free interest rate—The risk-free interest rate is based on the U.S. Treasury yield of treasury bonds with a maturity that approximates the expected term of the market-based PSU awards.
- Expected dividend yield—The dividend yield is based on the current expectations of dividend payouts. The Company does not anticipate paying any cash dividends in the foreseeable future.

See “Note 6 - Stockholders' Equity and Equity-based Compensation” for further discussion on the valuation of these awards.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company is a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and is not required to provide the information required under Item 7A.

Interest Rate Risk

Our primary market risk exposure is changing interest rates. Interest rate risk is highly sensitive due to many factors, including United States monetary and tax policies, United States and international economic factors and other factors beyond our control. Under the Credit Agreement, all outstanding loans bear interest based on either a base rate or SOFR plus an applicable per annum margin. The applicable per annum margin is 2.0% or 3.0% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2x. If the Company's total leverage ratio is equal to or greater than 1x and less than 2x, the applicable per annum margin is 1.5% or 2.5% for base rate or SOFR, respectively. If the Company's total leverage ratio is below 1x, the applicable per annum margin is 1.0% or 2.0% for base rate or SOFR, respectively.

On September 13, 2024, the Company amended the Credit Agreement to modify certain financial condition covenants and the applicable margins. As such, for the period of September 13, 2024 through June 30, 2025, the applicable per annum margin is 2.5% or 3.5% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.0x. If the Company's total leverage ratio is equal to or greater than 1.0x and less than 2.0x, the applicable per annum margin is 2.0% or 3.0% for base rate or SOFR, respectively. If the Company's total leverage ratio is below 1.0x, the applicable per annum margin is 1.5% or 2.5% for base rate or SOFR, respectively.

As of March 12, 2025, the Company entered into the Third Amendment to the Credit Agreement which changed the applicable per annum margin, beginning on or about July 1, 2025, to 3.75% or 4.75% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 3.00x, 3.50% or 4.50% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.00x and less than 3.00x, and 3.25% or 4.25% for base rate or SOFR, respectively.

As of December 31, 2024, we had term loan borrowings of \$70.8 million in principal amount under the Loan Agreement and \$5.0 million drawn on the revolving credit facility. Based on the amount outstanding, a 100 basis point increase or decrease in market interest rates over a twelve-month period would result in a change to interest expense of approximately \$0.8 million.

Inflation Risk

Based on our analysis of the periods presented, we believe that inflation has not had a material effect on our operating results. There can be no assurance that future inflation will not have an adverse impact on our operating results and financial condition.

Item 8. Financial Statements and Supplementary Data

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
AirSculpt Technologies, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of AirSculpt Technologies, Inc. (a Delaware corporation) and subsidiaries (the “Company”) as of December 31, 2024 and 2023, the related consolidated statements of operations, other comprehensive loss, changes in stockholders’ equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

Basis for opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ GRANT THORNTON LLP

We have served as the Company’s auditor since 2018.

Tampa, Florida
March 14, 2025

AirSculpt Technologies, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023

(\$000s, except for shares)	December 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 8,235	\$ 10,262
Taxes receivable	3,056	1,941
Prepaid expenses and other current assets	5,826	3,758
Total current assets	17,117	15,961
Property and equipment, net	37,471	28,908
Other long-term assets	6,413	5,657
Right of use operating lease assets	25,669	25,413
Intangible assets, net	41,592	46,346
Goodwill	81,734	81,734
Total assets	\$ 209,996	\$ 204,019
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 6,256	\$ 3,922
Accrued payroll and benefits	2,531	4,127
Current portion of long-term debt	4,250	2,125
Deferred revenue and patient deposits	1,169	1,463
Accrued and other current liabilities	8,304	3,303
Current operating lease liabilities	6,099	5,375
Total current liabilities	28,609	20,315
Long-term debt, net	65,456	69,503
Deferred tax liability, net	6,576	6,828
Long-term operating lease liabilities	24,248	22,665
Revolving credit funds payable	5,000	—
Other long-term liabilities	817	716
Total liabilities	130,706	120,027
Commitments and contingent liabilities (Note 9)		
Stockholders' equity		
Common stock, \$0.001 par value; shares authorized - 450,000,000; shares issued and outstanding - 58,369,138 and 57,355,676, respectively	58	57
Additional paid-in capital	107,721	103,898
Accumulated other comprehensive loss	(687)	(412)
Accumulated deficit	(27,802)	(19,551)
Total stockholders' equity	79,290	83,992
Total liabilities and stockholders' equity	\$ 209,996	\$ 204,019

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

AirSculpt Technologies, Inc. and Subsidiaries
Consolidated Statements of Operations
For the years ended December 31, 2024, 2023 and 2022

(in \$000s, except for shares and per share figures)	Twelve Months Ended December 31,		
	2024	2023	2022
Revenue	\$ 180,350	\$ 195,917	\$ 168,794
Operating expenses:			
Cost of service (exclusive of depreciation and amortization)	71,382	74,012	62,781
Selling, general and administrative ⁽¹⁾	98,880	102,381	101,418
Loss on debt modification	—	—	932
Depreciation and amortization	11,888	10,253	8,061
Loss/(gain) on disposal of long-lived assets	16	(212)	147
Total operating expenses	182,166	186,434	173,339
(Loss)/income from operations	(1,816)	9,483	(4,545)
Interest expense, net	6,247	6,485	6,751
Pre-tax net (loss)/income	(8,063)	2,998	(11,296)
Income tax expense	188	7,477	3,383
Net loss	\$ (8,251)	\$ (4,479)	\$ (14,679)
Loss per share of common stock			
Basic	\$ (0.14)	\$ (0.08)	\$ (0.26)
Diluted	\$ (0.14)	\$ (0.08)	\$ (0.26)
Weighted average shares outstanding			
Basic	57,688,906	56,778,793	55,684,701
Diluted	57,688,906	56,778,793	55,684,701

(1) During the first quarter of fiscal year 2024, the Company recorded a cumulative reversal of stock compensation expense of \$10.4 million related to reassessing the probability of achieving the performance target on certain of the Company's performance-based stock units. See Note 6 to the consolidated financial statements included in this Annual Report on Form 10-K for further discussion.

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

AirSculpt Technologies, Inc. and Subsidiaries
Consolidated Statements of Other Comprehensive Loss
For the years ended December 31, 2024, 2023 and 2022

(\$000s)	Twelve Months Ended December 31,		
	2024	2023	2022
Net loss	\$ (8,251)	\$ (4,479)	\$ (14,679)
Other comprehensive loss:			
Change in foreign currency translation adjustment	(275)	(336)	(76)
Total other comprehensive loss:	(275)	(336)	(76)
Comprehensive loss	\$ (8,526)	\$ (4,815)	\$ (14,755)

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

AirSculpt Technologies, Inc. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity
For the years ended December 31, 2024, 2023 and 2022

(\$000s, except for shares)	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount				
Balance at December 31, 2021	55,640,154	56	83,865	—	(393)	83,528
Issuance of common stock through unit vesting	541,535	—	—	—	—	—
Distributions	—	—	(732)	—	—	(732)
Dividends	—	—	(24,701)	—	—	(24,701)
Equity-based compensation	—	—	29,457	—	—	29,457
Payment of taxes withheld through vested equity-based compensation	—	—	(2,031)	—	—	(2,031)
Net loss	—	—	—	—	(14,679)	(14,679)
Other comprehensive loss	—	—	—	(76)	—	(76)
Balance at December 31, 2022	56,181,689	56	85,858	(76)	(15,072)	70,766
Issuance of common stock through unit vesting	1,173,987	1	—	—	—	1
Distributions	—	—	(79)	—	—	(79)
Dividends	—	—	129	—	—	129
Equity-based compensation	—	—	18,224	—	—	18,224
Payment of taxes withheld through vested equity-based compensation	—	—	(234)	—	—	(234)
Net loss	—	—	—	—	(4,479)	(4,479)
Other comprehensive loss	—	—	—	(336)	—	(336)
Balance at December 31, 2023	57,355,676	57	103,898	(412)	(19,551)	83,992
Issuance of common stock through unit vesting	1,013,462	1	—	—	—	1
Dividends	—	—	964	—	—	964
Equity-based compensation	—	—	3,762	—	—	3,762
Payment of taxes withheld through vested equity-based compensation	—	—	(903)	—	—	(903)
Net loss	—	—	—	—	(8,251)	(8,251)
Other comprehensive loss	—	—	—	(275)	—	(275)
Balance at December 31, 2024	58,369,138	\$ 58	\$ 107,721	\$ (687)	\$ (27,802)	\$ 79,290

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

AirSculpt Technologies, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2024, 2023 and 2022

(\$000s)	Twelve Months Ended December 31,		
	2024	2023	2022
Cash flows from operating activities			
Net loss	\$ (8,251)	\$ (4,479)	\$ (14,679)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	11,888	10,253	8,061
Equity-based compensation	3,762	18,224	29,457
Non-cash interest expense; amortization of debt costs	339	207	921
Loss on debt modification	—	—	932
Deferred income taxes	(252)	1,342	1,134
Loss/(gain) on disposal of long-lived assets	16	(212)	147
Changes in assets and liabilities			
Taxes receivable	(1,115)	890	(2,831)
Prepaid expense and other current assets	(2,059)	466	(5)
Other assets	(1,011)	(3,814)	(7,274)
Accounts payable	739	(206)	865
Deferred revenue and patient deposits	(293)	(896)	(452)
Accrued and other liabilities	7,587	2,181	8,171
Net cash provided by operating activities	<u>11,350</u>	<u>23,956</u>	<u>24,447</u>
Cash flows from investing activities			
Purchases of property and equipment, net	(14,007)	(9,919)	(12,921)
Net cash used in investing activities	<u>(14,007)</u>	<u>(9,919)</u>	<u>(12,921)</u>
Cash flows from financing activities			
Payment on term loan	(2,125)	(12,125)	(84,263)
Borrowings on term loan, net	—	—	83,503
Payments for debt modification	(136)	—	—
Proceeds from revolving credit facility	5,000	—	—
Distribution to member	—	(79)	(1,159)
Dividends paid to shareholders	(252)	(385)	(23,160)
Payment of taxes withheld through vested equity-based compensation	(903)	(233)	(2,031)
Other financing activity	(954)	(569)	(147)
Net cash provided by/(used in) financing activities	<u>630</u>	<u>(13,391)</u>	<u>(27,257)</u>
Net decrease in cash and cash equivalents	<u>(2,027)</u>	<u>646</u>	<u>(15,731)</u>
Cash and cash equivalents			
Beginning of period	10,262	9,616	25,347
End of period	<u>\$ 8,235</u>	<u>\$ 10,262</u>	<u>\$ 9,616</u>
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ 5,997	\$ 6,277	\$ 5,830
Cash paid for income taxes	\$ 1,808	\$ 4,663	\$ 4,932
Supplemental disclosure of non-cash investing information:			
Property and equipment included in accounts payable and accrued expenses	\$ 1,595	\$ 283	\$ 1,113

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

AirSculpt Technologies, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

NOTE 1 – ORGANIZATION AND SUMMARY OF KEY ACCOUNTING POLICIES

AirSculpt Technologies, Inc. (“AirSculpt” or the “Company”), was formed as a Delaware corporation on June 30, 2021. The Company's revenues are concentrated in the specialty, minimally invasive liposuction market. The Company and its consolidated subsidiaries are referred to collectively in these consolidated financial statements as “we,” “our,” and “us.” Solely for convenience, some of the copyrights, trade names and trademarks referred to in these consolidated financial statements are listed without their ©, ® and ™ symbols, but we will assert, to the fullest extent under applicable law, our rights to our copyrights, trade names and trademarks.

The Company, through its wholly-owned subsidiaries, is a provider of practice management services to professional associations (“PAs”) located throughout the United States, Canada, and the United Kingdom. The Company owns and operates non-clinical assets and provides its management services to the PAs through management services agreements (“MSAs”). Management services provide for the administration of the non-clinical aspects of the medical operations and include, but are not limited to, financial, administrative, technical, marketing, and personnel services. Pursuant to the MSA, the PA is responsible for all clinical aspects of the medical operations of the practice.

Principles of Consolidation

These consolidated financial statements present the financial position and results of operations of the Company, its wholly-owned domestic and international subsidiaries, and its variable interest in the managed PAs in the United States (“Domestic PAs”), which are under the control of the Company and are considered variable interest entities in which the Company is the primary beneficiary.

All intercompany accounts and transactions have been eliminated in consolidation.

Basis of Presentation

In the opinion of management, the accompanying consolidated financial statements and accompanying notes have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

Variable Interest Entities

The Company has a variable interest in the Domestic PAs where it has a long-term and unilateral controlling financial interest over their assets and operations. The Company has the ability to direct the activities that most significantly affect the Domestic PAs’ economic performance via the MSAs and related agreements. The Company is a practice management service organization and does not engage in the practice of medicine. These services are provided by licensed professionals at each of the Domestic PAs. Certain key features of the MSAs and related agreements enable the Company to assign the member interests of certain of the Domestic PAs to another member designated by the Company (i.e., “nominee shareholder”) for a nominal value in certain circumstances at the Company’s sole discretion. The MSA does not allow the Company to be involved in, or provide guidance on, the clinical operations of the Domestic PAs. The Company consolidates the Domestic PAs into the financial statements. All of the Company’s revenue is earned from services provided by the Domestic PAs and its wholly-owned foreign subsidiaries in the United Kingdom and Canada. The only assets and liabilities held by the Domestic PAs included in the accompanying consolidated balance sheets are clinical related. The clinical assets and liabilities are not material to the Company as a whole.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Concentration of Credit Risk

The Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. The Company’s revenues are concentrated in the specialty, minimally invasive liposuction market.

The Company maintains cash balances at financial institutions which may at times exceed the amount covered by the Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts.

Revenue Recognition

Revenue consists primarily of revenue earned for the provision of the Company's patented AirSculpt® procedures. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account for revenue recognition. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The Company's performance obligations are delivery of specialty, minimally invasive liposuction services.

The Company assists patients, as needed, by providing third-party financing options to pay for procedures. The Company has arrangements with various financing companies to facilitate this option. There is a financing transaction fee based on a set percentage of the amount financed and are not contingent upon any criteria. The Company recognizes revenue based on the expected transaction price which is reduced for financing fees.

Revenue for services is recognized when the service is performed. Payment is typically rendered in advance of the service. Customer contracts generally do not include more than one performance obligation.

The Company's policy is to require payment for services in advance. Payments received for services that have yet to be performed are included in deferred revenue and patient deposits. All of the deferred revenue and patient deposits as of December 31, 2023 and 2022 were recognized in revenue during the twelve months ended December 31, 2024 and 2023.

For the twelve months ended December 31, 2024, 2023, and 2022, revenue from international locations was \$6.1 million, \$5.2 million, and \$0.3 million, respectively, and net loss from international operations was \$1.5 million, \$1.9 million, and \$1.4 million, respectively.

Cost of Service

Cost of service is comprised of all service and product costs related to the delivery of procedures, including but not limited to compensation to doctors, nurses and clinical staff, supply costs, and facility rent expense.

Deferred Financing Costs, Net

Loan costs and discounts are capitalized in the period in which they are incurred and amortized on the straight-line basis over the term of the respective financing agreement which approximates the effective interest method. These costs are included as a reduction of long-term debt on the consolidated balance sheets. Total amortization of deferred financing costs was approximately \$0.3 million, \$0.2 million, and \$0.9 million for the twelve months ended December 31, 2024, 2023 and 2022, respectively. Amortization of loan costs and discounts is included as a component of interest expense.

Property and Equipment, Net

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method of accounting over the assets' estimated useful lives, generally five years for medical equipment, five years for office and computer equipment, and seven years for furniture and fixtures. Depreciation of leasehold improvements is based on the shorter of the estimated useful life of the improvement or the remaining lease term. As of December 31, 2024 and 2023, the Company has \$2.4 million and \$1.7 million recorded, respectively, in other long-term assets related to a software as a service hosting arrangement that has not yet been implemented. The software will be used to enhance the sales and marketing process.

Leases

The Company determines if an arrangement is a lease at inception. Right-of-use assets represent the right to use the underlying assets for the lease term and the lease liabilities represent the obligation to make lease payments arising from the leases. Right-of-use assets and liabilities are recognized at commencement date based on the present value of future lease payments over the lease term, which includes only payments that are fixed or determinable at the time of commencement. When readily determinable, the Company uses the interest rate implicit in a lease to determine the present value of future lease payments. For leases where the implicit rate is not readily determinable, the Company's incremental borrowing rate is used. The Company calculates its incremental borrowing rate on a periodic basis using a third-party financial model that estimates the rate of interest the Company would have to pay to borrow an amount equal to the total

lease payments on a collateralized basis over a term similar to the lease. The Company applies its incremental borrowing rate using a portfolio approach. The right-of-use assets also include any lease payments made prior to commencement and is recorded net of any lease incentives received. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options.

Goodwill and Intangible Assets

Indefinite-lived, non-amortizing intangible assets include goodwill. Goodwill represents the excess of the fair value of the consideration conveyed in the acquisition over the fair value of net assets acquired. Goodwill is not amortized but is evaluated annually for impairment or sooner if factors occur that would trigger an impairment review. Judgments regarding the existence of impairment indicators are based on market conditions and operational performance.

Definite-lived, amortizing intangible assets primarily consist of patents, tradenames and other intellectual property. The Company amortizes definite-lived identifiable intangible assets on a straight-line basis over their estimated useful life of 15 years.

Impairment of goodwill

Goodwill represents the excess of purchase price over the fair value of net assets acquired in a business combination. Goodwill is not amortized but evaluated for impairment at least annually at the reporting unit level or whenever events or changes in circumstances indicate that the value may not be recoverable. Events or changes in circumstances which could trigger an impairment review include significant adverse changes in the business climate, unanticipated competition, a loss of key personnel, or the strategy for the overall business, significant industry or economic trends, or significant underperformance relevant to expected historical or projected future results of operations.

Goodwill is assessed for possible impairment by performing a qualitative analysis to determine if it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the events or circumstances, the Company determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then additional impairment testing is not required. However, if the Company were to believe the fair value was more likely than not lower than the carrying value, then the Company is required to perform a quantitative analysis.

The quantitative analysis involves comparing the estimated fair value of a reporting unit with its respective book value, including goodwill. If the estimated fair value exceeds book value, goodwill is considered not to be impaired and no additional steps are necessary. If, however, the fair value of the reporting unit is less than its book value, then the carrying amount of the goodwill is reduced by recording an impairment loss in an amount equal to the excess. The Company reviews goodwill for impairment annually on October 1.

See “Note 2—Goodwill and Intangibles, Net” for further discussion.

Long-Lived Assets

The Company accounts for impairment of long-lived assets in accordance with the provisions of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 350, *Intangibles – Goodwill and Other* and Topic 360, *Impairment or Disposal of Long-Lived Assets*. These standards require that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to future estimated cash flows expected to arise as a direct result of the use and eventual disposition of the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs to sell. No impairment charges were recognized for the twelve months ended December 31, 2024, 2023 and 2022.

Fair Value

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States, and expands disclosure requirements about fair value measurements.

ASC Topic 820 defines three categories for the classification and measurement of assets and liabilities carried at fair value:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or observable inputs that are corroborated by market data

Level 3: Unobservable inputs reflecting the reporting entity's own assumptions.

The fair value of financial instruments is generally estimated through the use of public market prices, quotes from financial institutions and other available information. Judgment is required in interpreting data to develop estimates of market value and, accordingly, amounts are not necessarily indicative of the amounts that could be realized in a current market exchange.

Short-term financial instruments, including cash, prepaid expenses and other current assets, accounts payable, and other liabilities, consist primarily of instruments without extended maturities, for which the fair value, based on management's estimates, approximates their carrying values. Borrowings bear interest at what is estimated to be current market rates of interest, accordingly, carrying value approximates fair value.

Earnings Per Share

Basic earnings per share of common stock is computed by dividing net loss attributable to AirSculpt Technologies, Inc. for the twelve months ended December 31, 2024, 2023 and 2022 by the weighted-average number of shares of common stock outstanding during the same period. Diluted earnings per share of common stock is computed by dividing net loss attributable to AirSculpt Technologies, Inc. for the twelve months ended December 31, 2024, 2023 and 2022 by the weighted-average number of shares of common stock adjusted to give effect to potentially dilutive securities. Where the inclusion of potentially dilutive shares would be antidilutive, diluted loss per share equals basic loss per share.

Advertising Costs

Advertising costs are expensed in the period when the costs are incurred and are included as a component of selling, general and administrative expenses. Advertising expenses were approximately \$33.4 million, \$25.9 million and \$20.6 million for the twelve months ended December 31, 2024, 2023 and 2022, respectively.

Income Taxes

The Company became subject to taxation as a C corporation for periods after October 28, 2021.

The Company applies the provisions of ASC 740-10, *Accounting for Uncertain Tax Positions* ("ASC 740-10"). Under these provisions, companies must determine and assess all material positions existing as of the reporting date, including all significant uncertain positions, for all tax years that are open to assessment or challenge under tax statutes. Additionally, those positions that have only timing consequences are analyzed and separated based on ASC 740-10's recognition and measurement model.

ASC 740-10 provides guidance related to uncertain tax positions for pass-through entities and tax-exempt not-for profit entities. ASC 740-10 also modifies disclosure requirements related to uncertain tax positions for nonpublic entities and provides that all entities are subject to ASC 740-10 even if the only tax position in question is the entity's status as a pass-through.

As required by the uncertain tax position guidance, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the condensed consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company applied the uncertain tax position guidance to all tax positions for which the statute of limitations remained open and determined that there are no uncertain tax positions as of December 31, 2024 or December 31, 2023. The Company is not subject to U.S. federal tax examination prior to 2021, when it was formed.

The Company has effective tax rates of approximately (2.3)%, 249.4% and (29.9)% for the twelve months ended December 31, 2024, 2023 and 2022, respectively, inclusive of all applicable U.S. federal and state income taxes.

Going Concern

Management evaluates at each annual and interim period whether there are conditions or events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the consolidated financial statements are issued. Management's evaluation is based on relevant conditions and events that are known and reasonably knowable at the date that the consolidated financial statements are issued. Management has concluded that there are no conditions or events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the issuance of these financial statements.

Recently Adopted Accounting Pronouncements

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280), Improvements to Reportable Segment Disclosures*, which requires enhanced disclosures of significant segment expenses. The ASU is effective for annual periods beginning after December 15, 2023 and interim periods beginning after December 15, 2024. The amendments in this ASU must be applied retrospectively to all periods presented and early adoption is permitted. The Company adopted ASU 2023-07 for the fiscal year ended December 31, 2024.

Recent Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740), Improvements to Income Tax Disclosures*, which establishes new requirements for the categorization and disaggregation of information in the rate reconciliation as well as for disaggregation of income taxes paid. The ASU is effective for annual periods beginning after December 15, 2024 and interim periods beginning after December 15, 2025. The amendments in this ASU may be applied prospectively or retrospectively to all periods presented and early adoption is permitted. The Company is evaluating the impact of this ASU on its consolidated financial statements.

NOTE 2 – GOODWILL AND INTANGIBLES, NET

On October 2, 2018, EBS Intermediate acquired a controlling interest in EBS Enterprises, LLC in exchange for total consideration of \$151.0 million. The fair value of the net identifiable assets at transaction date was \$69.3 million, comprised primarily of \$17.7 million in intangible assets related to the AirSculpt and Elite trademarks and tradenames and \$53.6 million in intangible assets related to the AirSculpt technology and know-how. The resulting excess consideration over fair value of identifiable net assets was recorded to goodwill in the amount of \$81.7 million.

The annual review of goodwill impairment was performed in October 2024 using a qualitative analysis and the Company determined that a quantitative analysis was not required. There were no triggering events during the years ended December 31, 2024, 2023 and 2022.

The Company had goodwill of \$81.7 million at December 31, 2024 and December 31, 2023.

Intangible assets consisted of the following at December 31, 2024 and December 31, 2023 (in 000's):

	December 31, 2024	December 31, 2023	Useful Life
Technology and know-how	\$ 53,600	\$ 53,600	15 years
Trademarks and tradenames	17,700	17,700	15 years
	71,300	71,300	
Accumulated amortization of technology and know-how	(22,333)	(18,759)	
Accumulated amortization of tradenames and trademarks	(7,375)	(6,195)	
Total intangible assets	<u>\$ 41,592</u>	<u>\$ 46,346</u>	

Aggregate amortization expense on intangible assets was approximately \$4.8 million for each of the years ended December 31, 2024, 2023, and 2022.

The estimated aggregate amortization expense on intangible assets for each of the next five years and thereafter is estimated to be as follows (in 000's):

Year ending December 31,

2025	\$	4,753
2026		4,753
2027		4,753
2028		4,753
2029		4,753
Thereafter		17,827
Total	\$	41,592

NOTE 3 – PROPERTY AND EQUIPMENT, NET

As of December 31, 2024 and December 31, 2023 property and equipment consists of the following (in 000's):

	December 31, 2024	December 31, 2023
Medical equipment	\$ 13,568	\$ 11,576
Office and computer equipment	965	860
Furniture and fixtures	5,049	4,280
Leasehold improvements	34,270	21,982
Construction in progress	2,251	1,910
Less: Accumulated depreciation	(18,632)	(11,700)
Property and equipment, net	\$ 37,471	\$ 28,908

Depreciation expense was approximately \$7.1 million, \$5.5 million, and \$3.3 million for the years ended December 31, 2024, 2023, and 2022 respectively.

NOTE 4 – DEBT

On November 7, 2022, the Company entered into a credit agreement with a syndicate of lenders (the "Credit Agreement") originally maturing November 7, 2027. Pursuant to the Credit Agreement, there is (i) an \$85.0 million original aggregate principal amount of term loans and (ii) a revolving loan facility in an aggregate principal amount of up to \$5.0 million. On September 29, 2023, the Company voluntarily pre-paid \$10.0 million of the principal balance of the term loans under the Credit Agreement using cash on hand.

Under the Credit Agreement, all outstanding loans bear interest based on either a base rate or SOFR plus an applicable per annum margin. The applicable per annum margin is 2.0% or 3.0% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.0x. If the Company's total leverage ratio is equal to or greater than 1.0x and less than 2.0x, the applicable per annum margin is 1.5% or 2.5% for base rate or SOFR, respectively. If the Company's total leverage ratio is below 1.0x, the applicable per annum margin is 1.0% or 2.0% for base rate or SOFR, respectively.

On September 13, 2024, the Company amended the Credit Agreement to modify certain financial condition covenants. As such, for the period of September 13, 2024 through June 30, 2025, the applicable per annum margin is 2.5% or 3.5% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.0x. If the Company's total leverage ratio is equal to or greater than 1.0x and less than 2.0x, the applicable per annum margin is 2.0% or 3.0% for base rate or SOFR, respectively. If the Company's total leverage ratio is below 1.0x, the applicable per annum margin is 1.5% or 2.5% for base rate or SOFR, respectively. As of December 31, 2024, the interest rate was 7.86%.

Total borrowings as of December 31, 2024 and December 31, 2023 were as follows (in 000's):

	December 31, 2024	December 31, 2023
Term loan	\$ 70,750	\$ 72,875
Unamortized debt discounts and issuance costs	(1,044)	(1,247)
Total debt, net	69,706	71,628
Less: Current portion	(4,250)	(2,125)
Long-term debt, net	\$ 65,456	\$ 69,503

As of December 31, 2024 and December 31, 2023, the Company had \$0.0 million and \$5.0 million available on the revolving credit facility. The Company had \$5.0 million drawn on the revolving credit facility as of December 31, 2024.

The scheduled future maturities of long-term debt as of December 31, 2024 is as follows (in 000's):

Year ending December 31,	
2025	\$ 4,250
2026	6,375
2027	60,125
Total maturities	\$ 70,750

All borrowings under the Credit Agreement are cross collateralized by substantially all assets of the Company and are subject to certain restrictive covenants including quarterly total leverage ratio and fixed charge ratio requirements. The Company is in compliance with all covenants and has no letter of credit outstanding as of December 31, 2024 and December 31, 2023.

NOTE 5 – LEASES

The Company's operating leases are primarily for real estate, including medical office suites and corporate offices. For the twelve months ended December 31, 2024, 2023, and 2022, the Company incurred rent expense of \$6.7 million, \$5.9 million, and \$4.5 million, respectively, related to its medical office suites. The Company's rent expense related to its medical office suites is classified in cost of services within the Company's consolidated statements of operations. The Company incurred rent expense of \$364,000, \$364,000, and \$323,000 for the twelve months ended December 31, 2024, 2023, and 2022, respectively, related to the corporate offices which is classified in selling, general and administrative expenses. The Company currently does not have any finance leases.

Real estate lease agreements typically have initial terms of five to ten years and may include one or more options to renew. The useful life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. The Company's lease agreements do not contain any material residual value guarantees, restrictions or covenants.

The following table presents the weighted-average lease terms and discount rates at December 31, 2024, 2023, and 2022:

	December 31, 2024	December 31, 2023	December 31, 2022
Weighted-average remaining lease term	4.8 years	4.7 years	4.5 years
Weight average discount rate	6.7%	6.4%	5.1%

The following table presents supplemental cash flow information for the twelve months ended December 31, 2024 and 2023 (in 000's):

	December 31, 2024	December 31, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	\$ 6,656	\$ 5,240
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 8,040	\$ 9,934

Future minimum rental payments under all non-cancellable operating lease agreements for the succeeding five years are as follows, excluding common area maintenance charges that may be required by the agreements (in 000's):

Year ending December 31,	
2025	\$ 7,409
2026	7,299
2027	6,727
2028	5,910
2029	4,505
Thereafter	12,083
Total lease payments	43,933
Less: imputed interest	(13,586)
Total lease obligations	\$ 30,347

NOTE 6 – STOCKHOLDERS' EQUITY AND EQUITY-BASED COMPENSATION

The Company may issue a maximum of 5,564,015 shares under the 2021 Equity Incentive Plan. This amount will automatically increase on January 1 of each year for a period of ten years starting on January 1, 2023, in an amount equal to the lesser of (i) four percent of the total Common Stock outstanding on December 31 of the preceding year and (ii) such smaller number of shares as determined by the Company's board of directors.

During the twelve months ended December 31, 2024 and 2023, the Company granted 590,279 and 767,261 RSUs, respectively, to certain officers, employees and non-employee directors in accordance with the 2021 Plan. Vesting and payment of these RSUs are generally subject to continuing service of the employee or non-employee director over the ratable vesting periods beginning one year from the date of grant to one or three years after the date of grant. The fair values of these RSUs were determined based on the closing price of the Company's common stock on the trading date immediately prior to the grant date. These RSUs are not considered outstanding until vested.

During the twelve months ended December 31, 2024 and 2023, the Company granted 482,165 and 624,846 PSUs, respectively, subject to the achievement of market-based conditions ("market-based PSUs"). The vesting is based on achievement of a total shareholder return relative to a specified peer group ("rTSR"). Based on the rTSR, the awards can settle in shares in a range from 0% to 200%. In addition to the achievement of the performance conditions, these PSUs are generally subject to the continuing service of the employee over the ratable vesting period from the earned date continuing through the settlement of the shares. For these PSUs, the shares settle in the first quarter of the year following the year in which the vesting criteria is met. The performance criteria is based on the Company's actual performance condition results as compared to the targets. These PSUs are not considered outstanding until settled.

Determining the fair value of the market-based PSU awards requires judgment. The Company uses a Monte Carlo simulation model to estimate the fair value of the market-based PSU awards. The assumptions used in this pricing model requires the input of subjective assumptions and are as follows:

- Expected volatility—Expected volatility is based on historical volatilities of a publicly traded peer group based on daily price observations over a period equivalent to the expected term of the market-based PSU awards.
- Expected term—The term is estimated in consideration of the time period expected to achieve the performance.

- Risk-free interest rate—The risk-free interest rate is based on the U.S. Treasury yield of treasury bonds with a maturity that approximates the expected term of the market-based PSU awards.
- Expected dividend yield—The dividend yield is based on the current expectations of dividend payouts. The Company does not anticipate paying any cash dividends in the foreseeable future.

The following table sets forth the assumptions that were used to calculate the fair value of the market-based PSU awards granted during the twelve months ended December 31, 2024, 2023 and 2022.

	2024	2023	2022
Expected volatility	81.9 %	89.9 %	66.0 %
Expected term	2.77	2.83	2.85
Risk-free interest rate	3.83 %	1.72 %	1.72 %
Expected dividend yield	0 %	0 %	0 %

The fair values of the PSUs not subject to a market conditions were determined based on the closing price of the Company's common stock on the trading date immediately prior to the grant date.

Restricted and Performance Equity-Based Activity

A summary of the Company's RSU and PSU activity for the twelve months ended December 31, 2024, 2023 and 2022 follows. For purposes of this summary, the Company assumes the market-based PSUs will be issued at 100% of the units within the range of 0% to 200%.

	Unvested Units	Weighted Average Grant Date Fair Value of Units
Outstanding at December 31, 2021	4,673,766	14.27
Granted	359,132	15.10
Forfeitures/Cancellations	(503,693)	14.13
Vestings	(1,002,571)	14.76
Outstanding at December 31, 2022	3,526,634	14.23
Granted	1,442,107	6.60
Forfeitures/Cancellations	(30,605)	10.83
Vestings	(1,025,234)	13.93
Outstanding at December 31, 2023	3,912,902	14.23
Granted	1,072,444	7.66
Forfeitures/Cancellations	(2,249,555)	12.65
Vestings	(1,120,408)	10.62
Outstanding at December 31, 2024	1,615,383	\$ 8.05

Other information pertaining to equity-based compensation

In connection with the IPO, on November 4, 2021 the Company previously granted PSUs with performance-based vesting conditions to certain employees. The performance-based conditions include PSUs that can vest upon achieving specified stock price performance targets (the "Price Targets"), and the remaining PSUs can vest upon achieving a revenue performance target in any trailing twelve-month period up to December 31, 2024 (the "Revenue Target"). During the three months ended March 31, 2024, the Company reassessed the probability of achieving the Revenue Target and determined such achievement is improbable based on current facts and circumstances. As a result, the Company recorded a \$10.4 million cumulative reversal of stock compensation expense related to the unvested PSUs attributable to the Revenue Target in the three months ended March 31, 2024.

On August 8, 2024, Todd Magazine stepped down from his role as Chief Executive Officer of the Company, effective as of August 8, 2024, and entered into a Transition Services Agreement with the Company. In consideration of the provision by Mr. Magazine of consulting services to the Company through December 31, 2024, Mr. Magazine remained eligible to vest in 75,000 RSUs on January 1, 2025, which would have otherwise been forfeited, which resulted in an additional

\$0.3 million in stock compensation during the twelve months ended December 31, 2024. Further, pursuant to the severance provisions under Section 7.2 of his employment agreement with the Company, Mr. Magazine remains eligible to earn a prorated portion of the PSUs granted to him in 2023 and 2024 through December 31, 2026, and December 31, 2027, respectively, and partial accelerated vesting for 209,490 RSUs, resulting in an additional \$0.8 million in stock compensation during the twelve months ended December 31, 2024.

The Company recorded equity-based compensation expense of \$3.8 million, \$18.2 million, and \$29.5 million for the twelve months ended December 31, 2024, 2023, and 2022, respectively, in selling, general and administrative expenses on the consolidated statements of operations. Forfeitures are recognized as incurred. During the twelve months ended December 31, 2024, the Company had actual vestings with fair market value of \$6.1 million and \$0.0 million related to employees and directors, respectively.

Unrecognized compensation cost related to unvested time-based shares was approximately \$2.2 million as of December 31, 2024. Unrecognized compensation cost will be expensed annually based on the number of shares that vest during the year. As of December 31, 2024, the weighted average remaining vesting term on the unvested time-based shares was 1.70 years. Further, the Company has unrecognized compensation cost of \$3.1 million related to the PSUs as of December 31, 2024, which will be recognized on a graded vesting basis over the requisite service period when it is probable the performance condition will be achieved. As of December 31, 2024, the weighted average remaining vesting term on the unvested PSUs was 1.85 years.

On August 10, 2022, the board of directors of the Company approved a \$0.41 per share special cash dividend. The dividend was paid on September 14, 2022, to stockholders of record at the close of business on August 26, 2022. Cash dividends paid totaled \$0.3 million for the twelve months ended December 31, 2024. The Company's unvested stock units participate in dividends and as such, the Company had no dividends payable as of December 31, 2024.

The Company recognized distributions to EBS Parent, LLC (the "Parent") of approximately \$0.1 million, \$1.2 million, and \$66.9 million for the twelve months ended December 31, 2024, 2023, and 2022, respectively.

NOTE 7 – EARNINGS PER SHARE

Basic earnings per share of common stock is computed by dividing net income/loss attributable to AirSculpt Technologies, Inc. for the twelve months ended December 31, 2024, 2023, and 2022 by the weighted-average number of shares of common stock outstanding during the same period. Diluted earnings per share of common stock is computed by dividing net income/loss attributable to AirSculpt Technologies, Inc. for the twelve months ended December 31, 2024, 2023, and 2022 by the weighted-average number of shares of common stock adjusted to give effect to potentially dilutive securities. Where the inclusion of potentially dilutive shares would be antidilutive, diluted loss per share equals basic loss per share.

A reconciliation of the numerator and denominator used in the calculation of basic and diluted net loss per share of common stock is as follows (in 000's except for shares and per share figures):

	Fiscal Year Ended December 31,		
	2024	2023	2022
Numerator:			
Net loss	\$ (8,251)	\$ (4,479)	\$ (14,679)
Denominator:			
Weighted average shares of common stock outstanding - basic	57,688,906	56,778,793	55,684,701
Add: Effect of dilutive securities	—	—	—
Weighted average shares of common stock outstanding - diluted	57,688,906	56,778,793	55,684,701
Loss per share of common stock outstanding - basic and diluted	<u>\$ (0.14)</u>	<u>\$ (0.08)</u>	<u>\$ (0.26)</u>

The following number of potentially dilutive shares were excluded from the calculation of diluted loss per share because the effect of including such potentially dilutive shares would have been antidilutive.

	Fiscal Year Ended December 31,		
	2024	2023	2022
Restricted stock units	667,931	1,047,501	1,367,558
Performance and market-based stock units	947,452	1,625,882	2,159,076

NOTE 8 – INCOME TAXES

Significant components of income tax expense were as follows (in 000's):

	Fiscal Year Ended December 31,		
	2024	2023	2022
Current			
U.S. Federal	\$ (81)	\$ 4,565	\$ 1,235
State and Local	521	1,570	1,014
Total current income tax expense	440	6,135	2,249
Deferred			
U.S. Federal	(95)	1,192	1,109
State and Local	(199)	431	25
Foreign	42	(281)	—
Total deferred income tax (benefit) expense	(252)	1,342	1,134
Total	\$ 188	\$ 7,477	\$ 3,383

A reconciliation of income taxes computed at the U.S. federal statutory income tax rate of 21% to the Company's income tax (expense) was as follows:

	Fiscal Year Ended December 31,		
	2024	2023	2022
At U.S. Federal statutory tax rate	21.0 %	21.0 %	21.0 %
State income taxes	(2.6)%	55.7 %	(7.3)%
Pass-through income	— %	— %	— %
Nondeductible Reorganization and IPO costs	— %	— %	— %
Nondeductible officer compensation	(17.0)%	159.1 %	(38.8)%
Valuation allowance and other nondeductible expenses	(3.7)%	13.6 %	(4.8)%
Total	(2.3)%	249.4 %	(29.9)%

The effective tax rates for the fiscal years ended December 31, 2024, 2023 and 2022 were -2.3%, 249.4% and (29.9)%. The most significant items impacting the effective tax rate during fiscal years 2023, 2022 and 2021 are due to the Reorganization, non-deductible officer compensation expense, and the items below.

The Company's deferred tax assets (liabilities) consisted of the following (in 000's):

	December 31,	
	2024	2023
Deferred tax assets		
Accrued liabilities	\$ 39	\$ 422
Net operating loss	1,368	827
Operating lease liability	7,181	6,497
Equity-based compensation	887	1,596
State bonus depreciation	735	425
163(j) limitation	1,837	277
Other	614	30
Total deferred tax assets	12,661	10,074
Valuation allowance	(793)	(541)
Total deferred tax assets, net of valuation allowance	11,868	9,533
Deferred tax liabilities		
Property, plant and equipment	(6,464)	(5,566)
Intangible assets	(4,722)	(3,881)
Right-of-use asset	(6,588)	(6,014)
Prepaid expenses and other current assets	(690)	(900)
Total deferred tax liabilities	(18,464)	(16,361)
Net deferred tax liabilities	\$ (6,596)	\$ (6,828)

As of December 31, 2024 and 2023, we had foreign net operating loss carryforwards in the amount of \$1.0 million and \$4.0 million, respectively. Of the total carryforwards, \$0.2 million and \$1.4 million, respectively, were generated by the Company's Canadian based subsidiary and \$0.8 million and \$2.6 million, respectively, were generated by the Company's United Kingdom based subsidiary. The Canadian-based net operating losses begin to expire in 2039 and the United Kingdom based net operating losses carry forward indefinitely.

The Company recognizes deferred tax assets to the extent it believes these assets are more likely than not to be realized. Valuation allowances have been established with regard to the tax benefits of our foreign net operating losses. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent results of operations. After considering all of those factors, management recorded a \$0.8 million and \$0.5 million valuation allowance for the deferred tax assets related to the foreign net operating losses which are not more likely than not to be realized as of December 31, 2024 and 2023. Our foreign pre-tax loss was \$(1.5) million, \$(1.9) million, and \$(1.4) million, for the fiscal years ended December 31, 2024, 2023 and 2022, respectively. There were no valuation allowance releases in the current year. The Company maintains a full valuation allowance related to its UK subsidiary and has no other valuation allowances.

Uncertain Tax Positions

ASC 740 prescribes a recognition threshold of more-likely-than not to be sustained upon examination as it relates to the accounting for uncertainty in income tax benefits recognized in an enterprise's financial statements.

As of December 31, 2024 and 2023, the Company had no uncertain tax positions.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Professional Liability

In the ordinary course of business, the Company becomes involved in pending and threatened legal actions and proceedings, most of which involve claims of medical malpractice related to medical services provided by the PAs employed and affiliated physicians. The Company may also become subject to other lawsuits which could involve large claims and significant costs. The Company believes, based upon a review of pending actions and proceedings, that the outcome of such legal actions and proceedings will not have a material adverse effect on its business, financial condition, results of operations, and cash flows. The outcome of such actions and proceedings, however, cannot be predicted with certainty and an unfavorable resolution of one or more of them could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

Although the Company currently maintains liability insurance coverage intended to cover professional liability and certain other claims, the Company cannot assure that its insurance coverage will be adequate to cover liabilities arising out of claims asserted against it in the future where the outcomes of such claims are unfavorable. Liabilities in excess of the Company's insurance coverage, including coverage for professional liability and certain other claims, could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

NOTE 10 – SEGMENT INFORMATION

The Company has one operating and one reportable segment: direct medical procedure services. This segment is made up of facilities and medical staff that provide the Company's patented AirSculpt® procedures to patients. The accounting policies of the direct medical procedure services segment are the same as those presented in Note 1 - Organization and Summary of Significant Accounting Policies. The Company's chief operating decision maker ("CODM") is the Company's chief executive officer. The CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, assessing financial performance and allocating resources. The Company's CODM reviews revenue, gross profit, Adjusted EBITDA and net income/(loss). The CODM uses Adjusted EBITDA as the primary profit metric to evaluate income generated from operations in deciding where to spend additional marketing dollars or allocate additional resources. Gross profit is defined as revenues less cost of service incurred and Adjusted EBITDA as net loss excluding depreciation and amortization, net interest expense, income tax expense, restructuring and related severance costs, loss on debt modification, loss/(gain) on disposal of long-lived assets, settlement costs for non-recurring litigation, and equity-based compensation. Segment information is presented below showing revenue, significant expenses and net income/(loss) (the closest GAAP measure to Adjusted EBITDA), in the same manner that the CODM reviews the operating results in assessing performance and allocating resources.

(\$ in thousands)	Twelve Months Ended December 31,		
	2024	2023	2022
Revenue	\$ 180,350	\$ 195,917	\$ 168,794
Operating expenses:			
Cost of service (exclusive of depreciation and amortization) ⁽¹⁾	71,382	74,012	62,781
Advertising Cost	33,429	25,938	20,598
Facility selling, general, and administrative expense	22,933	24,694	20,427
Corporate selling, general, and administrative expense	42,518	51,749	60,393
Loss on debt modification	—	—	932
Depreciation and amortization	11,888	10,253	8,061
Loss/(gain) on disposal of long-lived assets	16	(212)	147
Total operating expenses	182,166	186,434	173,339
(Loss)/income from operations	(1,816)	9,483	(4,545)
Interest expense, net	6,247	6,485	6,751
Pre-tax net (loss)/income	(8,063)	2,998	(11,296)
Income tax expense	188	7,477	3,383
Net loss	\$ (8,251)	\$ (4,479)	\$ (14,679)
Segment assets	\$ 209,996	\$ 204,019	\$ 200,759

(1) Cost of services includes the costs of physicians, nursing, supplies and rent directly related to the performance of procedures at the facility level.

NOTE 11 – SUBSEQUENT EVENTS

On March 12, 2025, the Company, EBS Intermediate Parent LLC, a Delaware limited liability company and wholly-owned subsidiary of the Company ("EBS Parent"), EBS Enterprises LLC, a Delaware limited liability company and wholly-owned subsidiary of EBS Parent ("Borrower"), Silicon Valley Bank, a division of First-Citizens Bank & Trust Company, as the administrative agent ("SVB"), and the lenders a party thereto entered into a Third Amendment to the Credit Agreement (the "Third Amendment"). Under the terms of the Third Amendment, the parties thereto agreed to modify certain financial condition covenants made by the Company in the Credit Agreement, such that (i) the Consolidated Fixed Charge Coverage Ratio (as defined in the Credit Agreement) of the Company and its subsidiaries as of the last day of the

fiscal quarters ending March 31, 2025 and June 30, 2025 must be no less than 0.50x and 1.10x, respectively, and no less than 1.25x on the last day of the fiscal quarters ending September 30, 2025 and thereafter, instead of 1.10x as of March 31, 2025 and 1.25x as of June 30, 2025 and thereafter, as previously set forth in the Credit Agreement; (ii) the Consolidated Leverage Ratio (as defined in the Credit Agreement) of the Company and its subsidiaries as of the last day of the fiscal quarters ending March 31, 2025, June 30, 2025, September 30, 2025, December 31, 2025 and March 31, 2026, must not exceed 4.25x, 3.50x, 3.25x, 3.25x, and 2.75x, respectively, and the Consolidated Leverage Ratio as of the last day of each fiscal quarter thereafter must not exceed 2.25x, instead of 3.25x as of March 31, 2025, 2.75x as of June 30, 2025, and 2.25x thereafter, as previously set forth in the Credit Agreement; (iii) the Company and its subsidiaries will be required to maintain minimum Liquidity (as defined in the Credit Agreement) of not less than (A) \$3,000,000.00 as of the last day of the month ending March 31, 2025, (B) \$5,000,000 as of the last day of the month ending April 30, 2025, and (C) \$7,500,000.00 as of the last day of the months ending May 31, 2025 and thereafter (or the last day of each fiscal quarter thereafter upon the satisfaction of certain financial tests described therein); and (iv) new liquidity and financial reporting requirements have been added.

In addition to revising the covenants listed above, the Third Amendment revised or added new terms such that (i) for outstanding loans, beginning on or about July 1, 2025, the applicable per annum margin will be increased to 3.75% or 4.75% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 3.00x, 3.50% or 4.50% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.00x and less than 3.00x, and 3.25% or 4.25% for base rate or SOFR, respectively, if the Company's total leverage ratio is below 2.00x, (ii) the maturity Term Loan and Revolving Credit Facility will mature on May 11, 2027 (instead of November 7, 2027); (iii) Liquidity in excess of \$3.0 million will be used to repay the outstanding funds drawn on the revolving credit facility on a monthly basis beginning April 30, 2025; (iv) revolver draws will be subject to compliance with the minimum Liquidity covenant; (v) the Company will be required to reimburse SVB for certain fees and expenses relating to the engagement of a financial advisor, and (vi) 100% of first \$10.0 million of any equity proceeds will be used to repay the Term Loan and Revolving Credit Facility, subject to a carve-out of the first \$3.0 million of equity proceeds; and any equity proceeds received from Sponsor. In consideration of the Third Amendment, the Company paid a fee equal to 0.15% of the outstanding loans to consenting Lenders, and a \$125,000 arrangement fee to SVB. On March 12, 2025 connection with the Third Amendment, the Company, SVB and our Sponsor (through certain affiliated entities) entered into that certain Limited Guarantee by and among Vesey Street Capital Partners Healthcare Fund, L.P., Vesey Street Capital Partners Healthcare Fund-A, L.P., SVB, a related party and who with their affiliates hold a 50.1% ownership interest in the Company, and the Company (the "Limited Guarantee") pursuant to which our Sponsor agreed to provide a \$10.0 million limited guaranty of the Company's obligations under the Credit Agreement. The Limited Guarantee is callable on June 15, 2025 (or upon the earlier occurrence of certain defaults described therein) if the Company has not prepaid the Term Loan (excluding regularly scheduled amortization) by \$10.0 million as of such date. Under the terms of the Limited Guarantee, if Sponsor is required to make any payment under the Limited Guarantee (other than as a result of a bankruptcy event), then Sponsor will be deemed to have purchased shares of common stock of the Company having an aggregate value equal to the amount of such payment. The Company has agreed to issue a subordinated note to Sponsor if a payment occurs under the Limited Guarantee, to the extent such payment does not result from the issuance of shares of common stock by the Company to Sponsor.

NOTE 12 – ACCRUED AND OTHER CURRENT LIABILITIES

As of December 31, 2024 and December 31, 2023 accrued and other current liabilities consists of the following (in 000's):

	December 31, 2024	December 31, 2023
Accrued advertising costs	\$ 3,209	\$ —
Credit card payable	1,576	1,140
Accrued severance	1,400	—
Other	2,119	2,163
Accrued and other current liabilities	<u>\$ 8,304</u>	<u>\$ 3,303</u>

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures

None.

Item 9A. Controls and Procedures

Management's Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required financial disclosure.

As of the end of the period covered by this Annual Report on Form 10-K, our management, under the supervision and with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e) and 15d-15(e). Based upon this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of December 31, 2024.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with GAAP.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, 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.

Management, including our principal executive officer and principal financial officer, has assessed the effectiveness of our internal control over financial reporting as of December 31, 2024, based on criteria established in the framework *Internal Control-Integrated Framework (2013)*, issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the results of our evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2024.

Our independent registered accounting firm will not be required to opine on the effectiveness of our internal control over financial reporting pursuant to Section 404 until we are no longer an "emerging growth company" as defined in the JOBS Act.

Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting during the quarter ended December 31, 2024.

Limitations on the Effectiveness of Controls

Our management, including the Chief Executive Officer and the Chief Financial Officer, recognizes that any set of controls and procedures, no matter how well-designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, with the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of controls. For these reasons, internal control over financial reporting may not prevent or detect misstatements. Also, 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.

Item 9B. Other Information

2025 Annual Meeting of Stockholders

The Company currently anticipates that it will hold its virtual 2025 Annual Meeting of Stockholders on May 7, 2025.

Third Amendment to Credit Agreement

On March 12, 2025, the Company entered the Third Amendment. Under the terms of the Third Amendment, the parties thereto agreed to modify certain financial condition covenants made by the Company under the Term Loan and Revolving Credit Facility, such that (i) the Consolidated Fixed Charge Coverage Ratio (as defined in the Credit Agreement) of the Company and its subsidiaries as of the last day of the fiscal quarters ending March 31, 2025 and June 30, 2025 must be no less than 0.50x and 1.10x, respectively, and no less than 1.25x on the last day of the fiscal quarters ending September 30, 2025 and thereafter, instead of 1.10x as of March 31, 2025 and 1.25x as of June 30, 2025 and thereafter, as previously set forth in the Credit Agreement; (ii) the Consolidated Leverage Ratio (as defined in the Credit Agreement) of the Company and its subsidiaries as of the last day of the fiscal quarters ending March 31, 2025, June 30, 2025, September 30, 2025, December 31, 2025 and March 31, 2026, must not exceed 4:25x, 3.50x, 3.25x, 3.25x, and 2.75x, respectively, and the Consolidated Leverage Ratio as of the last day of each fiscal quarter thereafter must not exceed 2.25x, instead of 3.25x as of March 31, 2025, 2.75x as of June 30, 2025, and 2.25x thereafter, as previously set forth in the Credit Agreement; (iii) the Company and its subsidiaries will be required to maintain minimum Liquidity (as defined in the Credit Agreement) of not less than (A) \$3,000,000.00 as of the last day of the month ending March 31, 2025, (B) \$5,000,000 as of the last day of the month ending April 30, 2025, and (C) \$7,500,000.00 as of the last day of the months ending May 31, 2025 and thereafter (or the last day of each fiscal quarter thereafter upon the satisfaction of certain financial tests described therein); and (iv) new liquidity and financial reporting requirements have been added.

In addition to revising the covenants listed above, the amendment revised or added new terms such that (i) for outstanding loans, beginning on or about July 1, 2025, the applicable per annum margin will be increased to 3.75% or 4.75% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 3.00x, 3.50% or 4.50% for base rate or SOFR, respectively, if the Company's total leverage ratio is equal to or greater than 2.00x and less than 3.00x, and 3.25% or 4.25% for base rate or SOFR, respectively, if the Company's total leverage ratio is below 2.00x, (ii) the Term Loan and Revolving Credit Facility will mature on May 11, 2027 (instead of November 7, 2027); (iii) Liquidity in excess of \$3.0 million will be used to repay the outstanding funds drawn on the revolving credit facility on a monthly basis beginning April 30, 2025; (iv) revolver draws will be subject to compliance with the minimum Liquidity covenant (v) the Company will be required to reimburse SVB for certain fees and expenses relating to the engagement of a financial advisor; and (vi) 100% of first \$10.0 million of any equity proceeds will be used to repay the Term Loan and Revolving Credit Facility, subject to a carve-out of the first \$3.0 million of equity proceeds and any equity proceeds received from Sponsor. In consideration of the Third Amendment, the Company will pay a fee equal to 0.15% of the outstanding loans to consenting lenders, and a \$125,000 arrangement fee to SVB. On March 12, 2025, in connection with the Third Amendment, the Company, SVB and our Sponsor (through certain affiliated entities) entered into the Limited Guarantee, pursuant to which our Sponsor agreed to provide a \$10.0 million limited guaranty of the Company's obligations under the Credit Agreement. The Limited Guarantee is callable on June 15, 2025 (or upon the earlier occurrence of certain defaults described therein) if the Company has not prepaid the Term Loan (excluding regularly scheduled amortization) by \$10.0 million as of such date. Under the terms of the Limited Guarantee, if Sponsor is required to make any payment under the Limited Guarantee (other than as a result of a bankruptcy event), then Sponsor will be deemed to have purchased shares of common stock of the Company having an aggregate value equal to the amount of such payment. The Company has agreed to issue a subordinated note to Sponsor if a payment occurs under the Limited Guarantee, to the extent such payment does not result from the issuance of shares of common stock by the Company to Sponsor.

Rule 10b5-1 Trading Arrangements

During the quarter ended December 31, 2024, none of our directors or officers have adopted or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (each as defined in Item 408(a) of Regulation S-K).

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III**Item 10. Directors, Executive Officers and Corporate Governance****BOARD OF DIRECTORS**

The following table sets forth the name, age, and position, as of March 14, 2025, of individuals who currently serve as directors on the board of directors.

Name	Age	Position
Dr. Aaron Rollins	50	Executive Chairman of the board of directors
Yogi Jashnani	43	Director and Chief Executive Officer
Adam Feinstein	53	Director
Daniel Sollof	41	Director
Caroline Chu	44	Director
Thomas Aaron	63	Director
Kenneth Higgins	59	Director

Class I—Directors with Terms Expiring in Fiscal 2025

Yogi Jashnani has served as our Chief Executive Officer and a member of our board of directors since January 7, 2025. Mr. Jashnani has over 20 years of experience in the aesthetics, retail and finance industries. Prior to joining the Company, Mr. Jashnani served as Chief Revenue Officer for Sky Zone. From 2019 through 2023, he served as Chief Commercial Officer of Ideal Image. From fiscal 2017 through 2019, Mr. Jashnani held the position of SVP, Marketing, Insights and Analytics of Advance Auto Parts. Prior to this, Mr. Jashnani was Vice President at Capital One. Mr. Jashnani holds a Masters of Science in Biomedical Engineering and a Masters of Science in Electrical Engineering from University of Wisconsin-Madison. He also holds a Bachelors of Engineering in Telecommunications Engineering for University of Mumbai. We believe that Mr. Jashnani's industry knowledge, as well as his leadership experience, make him an appropriate member of our board of directors.

Daniel Sollof has served as a member of the Board since June 2021 and served as a member of the board of managers of Elite Body Sculpture from October 2018 until the IPO. Mr. Sollof joined VSCP in August 2014 and serves as a General Partner for the firm. In addition to sourcing and evaluating potential investment opportunities, Mr. Sollof works closely with VSCP's portfolio companies. He has been a Board Observer at HealthChannels (ScribeAmerica) since October 2016. From July 2015 to August 2017, he served as a member of the board of directors of Imedex, Inc. Prior to joining VSCP, Mr. Sollof served as Vice President and Research Analyst for Barclays Capital/Lehman Brothers August 2007 to August 2014, focusing on the Healthcare Facilities and Medical Supplies & Devices Sectors. Prior to Barclays Capital/Lehman Brothers, Mr. Sollof worked as a Valuation and Business Modeling Analyst in the Transaction Advisory Services group at Ernst & Young from September 2005 to July 2007. Mr. Sollof received a B.S. in Management Science from the University of California – San Diego and is a CFA charterholder. We believe that Mr. Sollof's industry knowledge, as well as his leadership experience, make him an appropriate member of our Board.

Class II—Directors with Terms Expiring in Fiscal 2026

Adam Feinstein has served as a member of the Board since June 2021 and as lead independent director since March 2023. He previously served as the non-executive chairman of the Board from September 2021 to January 2023 and as non-executive chairman of the board of managers of Elite Body Sculpture from October 2018 until the IPO. Mr. Feinstein founded Vesey Street Capital Partners, L.L.C. in 2014 and serves as Managing Partner. He has been a member of the board of directors of HealthChannels (ScribeAmerica), a provider of medical scribe support and value-based healthcare solutions, since October 2016. He has served as chairman of the board of directors of QualityMetric, a provider of health and disease specific surveys, from August 2020 until August 2023. He has served as a member of the board of directors of Pathgroup, a leading pathology services company, since August 2016. Mr. Feinstein has served as a board member of Safecor Health, which provides pharmaceutical unit dose packaging services for hospitals and health systems, since August 2021. Most recently, Mr. Feinstein has served as a board member of Inceptua Group, a leading provider of clinical trial supplies and related services, as well as global early access programs, since January 2024. He was a board member of Surgery Partners, Inc. (Nasdaq: SGRY) from September 2015 to December 2019 and Imedex, Inc. from July 2015 to August 2017. Prior to founding VSCP, Mr. Feinstein was the Senior Vice President of Corporate Development, Strategic Planning and Office of the Chief Executive Officer at LabCorp from June 2012 to August 2014. Prior to LabCorp, Mr. Feinstein served as the Managing Director in Equity Research at Barclays Capital/Lehman Brothers for 14 years. Mr. Feinstein is a CFA

charterholder and has a B.S. in Business from the Smith School at the University of Maryland. He also completed the Nashville Healthcare Council Fellows program. We believe that Mr. Feinstein's public company experience, industry knowledge, as well as his leadership experience, make him an appropriate member of our Board.

Thomas Aaron has served as a member of our Board since October 2021. From November 2019 to November 2024, Mr. Aaron served as a member of the board of directors of Cincinnati Financial Corporation (Nasdaq: CINF) and served on CINF's audit committee and the compensation committee during 2023 and 2024. From November 2019 to November 2024, Mr. Aaron also served as a member of the boards of directors of CINF's property casualty insurance companies and other subsidiaries. From 2016 to 2017, Mr. Aaron served as Senior Vice President of Finance of Community Health Systems, Inc. (NYSE: CYH). Mr. Aaron was appointed to serve as Executive Vice President and Chief Financial Officer of CYH in May 2017, a position in which he served through December 2019. Prior to joining CYH, Mr. Aaron had a distinguished, 32-year career at Deloitte leading audit and consulting services to, among others, national healthcare organizations. Mr. Aaron is a Certified Public Accountant and holds a B.S. in Accounting from the University of Kentucky. We believe that Mr. Aaron's leadership experience makes him an appropriate member of our Board.

Kenneth Higgins has served as a member of our Board since October 2021. Mr. Higgins currently serves as the managing director and co-founder of Northborne Partners, LLC, a middle market-focused mergers and acquisitions advisory firm. Previously, Mr. Higgins spent 4.5 years at BMO Capital Markets Corp. (a subsidiary of Bank of Montreal (NYSE: BMO)) from 2016 to 2021. Mr. Higgins received his Bachelor of Business Administration from the University of Michigan School of Business and his Juris Doctor degree from Harvard Law School. We believe that Mr. Higgins's leadership experience makes him an appropriate member of our Board.

Class III—Directors with Terms Expiring in Fiscal 2027

Dr. Aaron Rollins is our founder, previously served as our Chief Executive Officer from 2012 to January 2023, and has served as Executive Chairman of the Board since January 2023. Dr. Rollins is the cosmetic surgeon to the stars, as well as the founder of the Company. He currently serves as a board adviser to Safecor Health, a portfolio company affiliated with Vesey Street Capital Partners, L.L.C., our private equity sponsor. Dr. Rollins is considered a specialist in body sculpting and has performed thousands of laser liposuction procedures. He is a life-long art lover who studied sculpture and to fulfill his dream of combining art and science, he eventually attended medical school. Dr. Rollins went to medical school at the McGill University Faculty of Medicine in Montreal, Canada after completing his undergraduate studies at McGill University. He has received many awards for his distinguished work, including the I.D.E.A. Bronze Medal for medical inventions and the "Great Distinction" honor at McGill University. He is affiliated with the American College of Surgeons, American Board of Laser Surgery, American Academy of Cosmetic Surgery and the American Society of Liposuction Surgery. He is also a member of the World Academy of Cosmetic Surgery. Dr. Rollins was awarded the Compassionate Doctor certification in 2013. We believe that Dr. Rollins' industry knowledge, as well as his leadership experience, make him an appropriate member and Executive Chairman of our Board.

Caroline Chu has served as a member of our Board since October 2021. Previously, Ms. Chu spent 16 years at Goldman Sachs Group, Inc. from June 2002 to February 2018. She served as an investment analyst in Equity Research, a public equities investor in Goldman Sachs Principal Strategies and portfolio manager and Managing Director in Goldman Sachs Investment Partners. Ms. Chu also served as Co-Head of Equities and Managing Director for Alwyne Management LP from May 2018 to January 2020. Ms. Chu received her B.S. degrees in Economics and Management Science from the Massachusetts Institute of Technology in 2002. We believe that Ms. Chu's leadership experience makes her an appropriate member of our Board.

CORPORATE GOVERNANCE

Corporate Governance Highlights

Corporate governance is key to a strong and accountable board of directors. We strive to adopt practices that will promote the long-term interests of the Company and its stockholders, including the below examples.

- | | |
|--|--|
| ✓ Accountability. Our common stock outstanding on the Record Date is entitled to one vote per matter presented to stockholders | ✓ Annual Board and Committee Self-Evaluations |
| ✓ We meet Nasdaq’s definition of a controlled company, but we do not take advantage of the controlled company exemptions | ✓ Annual Named Executive Officer Performance Evaluation by the Compensation Committee of the Board |
| ✓ Five of the seven members of our Board are “independent” under Nasdaq’s definition of independence | ✓ “Pay for Performance” Philosophy Drives Executive Compensation |
| ✓ Our Audit and Compensation Committees are each composed entirely of unaffiliated independent directors | ✓ Audit Committee Approval Required for Related Party Transactions |
| ✓ Regular Board and Committee Executive Sessions of Independent Directors | ✓ No “Poison Pill” (Stockholder Rights Plan) |
| ✓ Lead Independent Director | ✓ Established Whistleblower Policy |
| ✓ Independent Executive Compensation Consultant | ✓ Risk Oversight by the Board and the Audit Committee |

Board Composition and Election of Directors

Our business and affairs are managed under the direction of our Board. The primary responsibilities of the Board are to provide oversight, strategic guidance, counseling and direction to our management. Our Board meets on a regular basis and additionally as required.

The number of directors is fixed by our Board, subject to the terms of our amended and restated certificate of incorporation, our amended and restated bylaws and our Stockholders Agreement. Our Board consists of seven directors, five of whom qualify as “independent” under the Nasdaq listing standards.

Directors are (except for the filling of vacancies and newly created directorships) elected by the holders of a plurality of the votes cast by the holders of shares present in person or represented by proxy at the meeting and entitled to vote on the election of such directors. Our Board is divided into three classes with staggered three-year terms. Only one class of directors is elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. This classification of our Board may have the effect of delaying or preventing changes in control of our company. Our directors are divided among the three classes as follows:

- the Class I directors are Yogi Jashnani and Daniel Sollof;
- the Class II directors are Adam Feinstein, Kenneth Higgins and Thomas Aaron; and
- the Class III directors are Dr. Aaron Rollins and Caroline Chu.

Each director’s term continues until the election and qualification of his or her successor, or his or her earlier death, resignation, or removal. No decrease in the number of directors will shorten the term of any incumbent director.

In addition, we entered into a stockholders agreement with affiliates of our Sponsor and Dr. Aaron Rollins in connection with our initial public offering (the “Stockholders Agreement”). This agreement grants affiliates of our Sponsor and Dr. Aaron Rollins the right to designate nominees to our Board subject to the maintenance of certain ownership requirements in us. See “Certain Relationships and Related Party Transactions, and Director Independence—Stockholders Agreement.”

In accordance with our corporate governance guidelines and subject to the Stockholders Agreement, our independent directors will designate a lead independent director in the event that the Company does not have an independent chairperson of the Board. Adam Feinstein is designated as the lead independent director of the Board, responsible for coordinating the activities of the independent directors. The specific responsibilities of the lead independent director are to:

- work with the Chief Executive Officer to develop and approve an appropriate Board meeting schedule;
- work with the Chief Executive Officer to develop and approve Board meeting agendas;

- provide the Chief Executive Officer feedback on the quality, quantity, and timeliness of the information provided to the Board;
- develop the agenda and moderate executive sessions of the independent members of the Board;
- preside over Board meetings when the Chief Executive Officer is not present or when Board or Chief Executive Officer performance or compensation is discussed;
- act as principal liaison between the independent members of the Board and Chief Executive Officer;
- convene meetings of the independent directors as appropriate;
- be available for consultation and direct communication with stockholders as deemed appropriate; and
- perform other duties as the Board may determine from time to time.

Our corporate governance guidelines also provide that the independent directors shall meet periodically in executive session but no less than two times per year or whatever minimum has been set by the Nasdaq listing standards.

Controlled Company Exemption

We meet the definition of a “controlled company” under the Nasdaq listing standards, and thus we qualify for the “controlled company” exemption to the board of directors and committee composition requirements under the Nasdaq listing standards. If we were to rely on this exemption, we would be exempt from the requirements that (1) our Board be comprised of a majority of independent directors, (2) we have a nominating and corporate governance committee composed entirely of independent directors, and (3) our compensation committee be comprised solely of independent directors. The “controlled company” exemption does not modify the independence requirements for the audit committee, and we comply, and intend to continue complying, with the requirements of the Sarbanes-Oxley Act and the Nasdaq listing standards, which require that our audit committee be composed of at least three members and entirely of independent directors within one year from the date of this prospectus.

We do not, and do not intend to, rely on the “controlled company” exemption under the Nasdaq listing standards and we have taken all actions necessary to comply with such requirements, including appointing a majority of independent directors to the Board and establishing certain committees composed entirely of independent directors within the time frames set forth under the Nasdaq listing standards. However, as long as we remain a “controlled company” these requirements will not apply to us and we may, in the future, seek to utilize some or all of these exemptions.

Annual Board and Committee Performance Review

Pursuant to our corporate governance guidelines, the nominating and corporate governance committee is responsible for reporting annually to the Board an evaluation of the overall performance of the Board. Additionally, the charters of the audit committee, compensation committee, and nominating and corporate governance committees each provide that the respective committee is responsible for performing or participating in an annual evaluation of its performance, the results of which are presented to the Board.

Board Meeting Attendance

During the fiscal year ended December 31, 2024 (“Fiscal 2024”), our Board met four times, our audit committee met four times, our compensation committee met six times and our nominating and corporate governance committee met four times. Each director attended the board of directors' meetings and all of the meetings of the committees of the board of directors on which such director served in Fiscal 2024. The board of directors and its committees also approved certain actions by unanimous written consent in lieu of a meeting.

It is our policy that our directors attend annual meetings of stockholders.

Committees of the Board of Directors

Our Board has an audit committee, a compensation committee and a nominating and corporate governance committee. The composition and responsibilities of each of the committees of our Board are described below. Members serve on these committees until their resignation or until as otherwise determined by our Board. Each of the committees operates under its own written charter adopted by the Board, each of which is available on our website at <https://investors.airsculpt.com>.

Audit Committee

Our audit committee consists of Thomas Aaron, Caroline Chu, and Kenneth Higgins, with Thomas Aaron serving as Chairperson. The composition of our audit committee meets the requirements for independence under current Nasdaq listing standards and SEC rules and regulations. Each member of our audit committee meets the financial literacy requirements of Nasdaq listing standards. In addition, our Board has determined that Thomas Aaron is an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Securities Act of 1933. Our audit committee, among other things:

- reviews our consolidated financial statements and our critical accounting policies and practices;
- selects a qualified firm to serve as the independent registered public accounting firm to audit our consolidated financial statements;
- helps to ensure the independence and performance of the independent registered public accounting firm;
- discusses the scope and results of the audit with the independent registered public accounting firm and reviews, with management and the independent registered public accounting firm, our interim and year-end results of operations;
- pre-approves all audit and all permissible non-audit services to be performed by the independent registered public accounting firm;
- oversees the performance of our internal audit function when established;
- reviews the adequacy of our internal controls;
- oversees cybersecurity controls, risks and policies;
- develops procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviews our policies on risk assessment and risk management; and
- reviews and approves or disapproves all related party transactions.

Our audit committee operates under a written charter that satisfies the applicable rules of the SEC and the listing standards of Nasdaq. Our audit committee's charter is accessible on our website at <https://investors.airsculpt.com/corporate-governance/governance>.

Compensation Committee

Our compensation committee consists of Caroline Chu, Thomas Aaron, and Kenneth Higgins, with Caroline Chu serving as Chairperson. The composition of our compensation committee meets the requirements for independence under Nasdaq listing standards and SEC rules and regulations. Each member of the compensation committee is also a non-employee director, as defined pursuant to Rule 16b-3 promulgated under the Exchange Act. The purpose of our compensation committee is to discharge the responsibilities of our Board relating to compensation of our executive officers. Our compensation committee, among other things:

- reviews, approves and determines, or makes recommendations to our Board regarding, the compensation of our executive officers;
- administers our stock and equity incentive plans;
- reviews and approves, or makes recommendations to our Board regarding, incentive compensation and equity plans; and
- establishes and reviews general policies relating to compensation and benefits of our employees.

Our compensation committee operates under a written charter that satisfies the applicable rules of the SEC and the listing standards of Nasdaq. Our compensation committee's charter is accessible on our website at <https://investors.airsculpt.com/corporate-governance/governance>. The charter provides that the compensation committee may, in its sole discretion and at the expense of the Company, retain or obtain the advice of a compensation consultant, legal counsel or other adviser and will be directly responsible for the appointment, compensation and oversight of the work of any such adviser. However, before engaging or receiving advice from a compensation consultant, external legal counsel or any other adviser, the compensation committee will consider the independence of each such adviser, including the factors required by Nasdaq and the SEC.

To assist the compensation committee in meeting its responsibilities, the compensation committee engaged Haigh & Co. (“Haigh”) as its independent outside compensation consultant to regularly provide executive compensation market analysis and insight, with respect to our executive officers. Haigh only provides services to the compensation committee with respect to executive and director compensation and does not provide any other services to the Company.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Kenneth Higgins and Daniel Sollof, with Kenneth Higgins serving as Chairperson. The composition of our nominating and corporate governance committee meets the requirements for independence under Nasdaq listing standards and SEC rules and regulations. Our nominating and corporate governance committee, among other things:

- identifies, evaluates and selects, or makes recommendations to our Board regarding, nominees for election to our Board and its committees;
- evaluates the performance of our Board and of individual directors;
- considers and makes recommendations to our Board regarding the composition of our Board and its committees;
- reviews developments in corporate governance practices;
- evaluates the adequacy of our corporate governance practices and reporting; and
- develops and makes recommendations to our Board regarding corporate governance guidelines and matters.

The nominating and corporate governance committee operates under a written charter that satisfies the applicable listing requirements and rules of Nasdaq. Our nominating and corporate governance committee’s charter is accessible on our website at <https://investors.airsculpt.com/corporate-governance/governance>.

Insider Trading Policy

Our Insider Trading Policy, adopted in November 2021 and most recently amended in March 2024, expressly prohibits our employees, designated consultants, officers and directors, and the related persons of each of the foregoing, who know or have access to material information regarding the Company that has not been fully disclosed to the public from (i) trading in Company securities or engaging in transactions in securities of another company with which the Company conducts business, such as a customer, partner, or supplier, if they are in possession of or otherwise aware of material information relating to such other company obtained in course of employment with, or services performed on behalf of, the Company (ii) purchasing Company securities on margin or holding Company securities in a margin account at any time, (iii) pledging Company securities as collateral for a loan, (iv) engaging in hedging or monetization transactions with respect to Company securities, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars, and exchange funds, and (v) trading in derivative securities related to our Company securities, which includes publicly traded call and put options. Our Insider Trading Policy also provides that the Company will not effect transactions in respect of its securities, or adopt any securities repurchase plans, when it is in possession of material nonpublic information concerning the Company, other than in compliance with applicable law.

Code of Business Conduct and Ethics

Our Board has adopted a Code of Business Conduct and Ethics applicable to our directors, officers and employees. The Code of Business Conduct and Ethics is accessible on our website at <https://investors.airsculpt.com/corporate-governance/governance>. If we make any substantive amendments to the Code of Business Conduct and Ethics or grant any waiver, including any implicit waiver, from a provision of the Code of Business Conduct and Ethics to our officers, we will disclose the nature of such amendment or waiver on that website or in a report on Form 8-K.

EXECUTIVE OFFICERS

Below is a list of the names, ages, positions, and a brief account of the business experience of the individuals who serve as our executive officers as of March 14, 2025.

On August 8, 2024, Todd Magazine stepped down from his role as Chief Executive Officer of the Company, effective as of August 8, 2024. As discussed below, on August 8, 2024, Mr. Magazine entered into a Transition Services Agreement (the “Transition Services Agreement”) with the Company (previously filed as Exhibit 10.1 of the Company’s Current Report on Form 8-K (file no. 001-40973), filed with the SEC on August 9, 2024), which provided for the severance benefits specified in Section 7.2 of the Magazine Employment Agreement (as defined below) and continued vesting of certain equity awards until January 1, 2025, subject to Mr. Magazine’s provision of consulting services to the Company through December 31, 2024.

Name	Age	Position
Yogi Jashnani ⁽¹⁾	43	Chief Executive Officer and Director
Dennis Dean	52	Chief Financial Officer
Dr. Aaron Rollins ⁽¹⁾	50	Executive Chairman of the board of directors

(1) See “Board of Directors” for a description of Yogi Jashnani’s and Dr. Aaron Rollins’ experience.

Dennis Dean has served as our Chief Financial Officer since June 1, 2021. Mr. Dean also served as Interim Chief Executive Officer from August 8, 2024 through January 7, 2025. Mr. Dean has over 20 years of experience in multi-site healthcare services. Prior to joining the Company, Mr. Dean served as Senior Vice President of Finance and Operations for Envision Healthcare from January 2019 to December 2020. Mr. Dean also served as Chief Accounting Officer and Corporate Controller for Surgery Partners and its predecessor company, Symbion, from 2008 through 2018 and was part of the team which took Surgery Partners public in 2015. Prior to joining Symbion, he co-founded Resource Partners, LLC, a healthcare-focused financial consulting firm, and began his career at Deloitte. Mr. Dean is a Certified Public Accountant and holds a B.S. in Accounting and an MAcc from Western Kentucky University.

Item 11. Executive Compensation

This section provides an overview of the compensation of our principal executive officer and our next two most highly-compensated executive officers for Fiscal 2024. We refer to these individuals as our named executive officers. Our named executive officers for 2024 were:

- Dr. Aaron Rollins, the Executive Chairman of the Board; and
- Todd Magazine, our former President and Chief Executive Officer; and
- Dennis Dean, our Chief Financial Officer.

Summary Compensation Table

The following table sets forth the compensation awarded to, earned by or paid to our named executive officers (“NEOs”) in respect of their service to us during Fiscal 2024 and the fiscal year ended December 31, 2023 (“Fiscal 2023”).

Name and Principal Position	Year	Salary (\$)	Stock Awards (\$) ⁽¹⁾	Special Cash Bonus (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽³⁾	All Other Compensation (\$) ⁽⁴⁾	Total (\$)
Dr. Aaron Rollins	2024	875,000	2,255,856	—	—	125,636	3,256,492
Executive Chairman	2023	875,000	1,906,685	87,500	551,250	215,634	3,636,069
Todd Magazine⁽⁵⁾	2024	453,654	1,804,688	—	—	569,977	2,828,319
Former Chief Executive Officer	2023	631,346	4,131,960	65,800	414,540	447,227	5,690,873
Dennis Dean ⁽⁶⁾	2024	500,000	644,540	—	—	9,532	1,154,072
Chief Financial Officer	2023	500,000	544,767	37,500	236,250	7,884	1,326,401

(1) Amounts in this column for 2024 and 2023 represent the grant date fair value, as determined in accordance with FASB ASC Topic 718, of equity awards in connection with our annual executive long term compensation program made up of 50% restricted stock unit awards (“RSUs”) and 50% performance-based restricted stock unit awards (“PSUs”) granted pursuant to the Company’s 2021 Equity Incentive Plan (the “2021 Plan”). Each of the performance-based restricted stock unit award amounts are based on achievement of a relative Total Shareholder Return (“rTSR”) as compared to a specified peer company group. These awards can range from 0% to 200% of the target amount reflected in this table.

(2) The compensation committee exercised its discretion in awarding a special supplemental cash bonus which was paid during the first quarter of Fiscal 2024 to each of Dr. Rollins, Mr. Magazine and Mr. Dean in recognition of the operational performance of the Company’s new facilities opened in the United States during Fiscal 2023.

(3) Amounts in this column reflect annual incentive compensation payments earned by our named executive officers in 2024 and 2023.

(4) Amounts shown in the “All Other Compensation” column represent the surgical related service fees in the amount of \$119,000 and \$207,750 for 2024 and 2023, respectively, paid to Dr. Rollins related to surgical procedures he performed, severance payments made to Todd Magazine

of \$565,385 in 2024 and a \$265,000 sign-on bonus and \$175,000 relocation fee related to the hiring of Todd Magazine in 2023 and medical, dental and vision insurance policy premiums paid by us.

- (5) Mr. Magazine served as the Company's Chief Executive Officer until August 8, 2024.
- (6) Mr. Dean served as the Company's Interim Chief Executive Officer and Chief Financial Officer from August 8, 2024 to January 7, 2025, at which time he returned to his role as Chief Financial Officer.

Narrative Disclosure to Summary Compensation Table

Annual Base Salary

Each named executive officer's base salary is a fixed component of compensation for each year for performing specific job duties and functions. The 2024 annual base salaries for our named executive officers are set forth in the "Summary Compensation Table" above.

Non-Equity Incentive Compensation

In addition to their annual base salary, our named executive officers are eligible for an annual cash performance bonus for each fiscal year based upon achievement of our performance targets, as determined by our Board in its sole and absolute discretion. For Fiscal 2024, Dr. Rollins, Mr. Magazine and Mr. Dean were eligible to earn a target annual incentive cash compensation of 100%, 100%, and 75%, respectively, of their annual base salary based on annual EBITDA performance. In March of 2024, our Board approved the 2024 budgeted EBITDA target of \$50.0 million and budgeted revenue target of \$227.9 million. For the 2024 performance period, our EBITDA was \$20.7 million and our revenue was \$180.4 million. As a result of our performance versus company objectives, no bonus was earned by each named executive officer.

Special Bonus

The compensation committee exercised its discretion in awarding special supplemental cash bonuses of \$87,500, \$65,800 and \$37,500 which were paid during the first quarter of Fiscal 2024 to each of Dr. Rollins, Mr. Magazine and Mr. Dean, respectively, in recognition of the operational performance of the Company's new facilities opened in the United States during Fiscal 2023.

IPO Equity Awards

In connection with our initial public offering, we awarded special one-time grants of RSUs and PSUs under the 2021 Plan to certain key executives, including each of Dr. Rollins and Mr. Dean (the "IPO Awards"). The IPO Awards for Dr. Rollins and Mr. Dean are 50% in the form of RSUs and 50% in the form of PSUs. As of December 31, 2024, all unvested and unearned RSUs and PSUs granted under the IPO Awards have been forfeited and cancelled.

Annual Equity Awards

We awarded RSUs and PSUs to each of Dr. Rollins, Mr. Magazine and Mr. Dean (the "Annual Awards") in Fiscal 2024 from our 2021 Equity Incentive Award Plan. The Annual Awards for Dr. Rollins, Mr. Magazine and Mr. Dean were 50% in the form of RSUs and 50% in the form of PSUs.

The number of RSUs granted to Dr. Rollins, Mr. Magazine and Mr. Dean in connection with their Annual Awards cover 136,141 shares of our common stock, 108,913 shares of our common stock and 38,898 shares of our common stock, respectively. The RSUs vest one-third annually over the first three anniversaries of the date of grant, subject to continued employment on such date, except as otherwise described under "Potential Payments and Benefits upon Termination or Change in Control" below.

For Dr. Rollins, Mr. Magazine and Mr. Dean, the number of PSUs granted to them in connection with their 2024 Annual Awards cover 136,141 shares of our common stock, 108,913 shares of our common stock and 38,898 shares of our common stock, respectively. The PSUs vest based on the Company's total shareholder return relative to a specified peer group (the "rTSR"). Based on the rTSR, the awards can settle in shares in a range of 0% to 200% of the target units. Vesting of the PSUs is subject to continued employment until the end of the performance period, except as otherwise described under "Potential Payments and Benefits upon Termination or Change in Control" below. Upon a change in control (as defined in the 2021 Plan), the performance conditions underlying the PSUs are deemed satisfied at target and the PSUs remain subject solely to time-based vesting over the remainder of the three year performance period, subject to continued service on such date except as otherwise described under "Potential Payments and Benefits upon Termination or Change in Control" below.

Benefits

All of our current named executive officers are eligible to participate in our employee benefit plans, including our medical, dental, and vision, in each case on the same basis as all of our other employees, except that we pay for the full cost of premiums of such benefits for our named executive officers. We generally do not provide perquisites or personal benefits to our named executive officers.

Transition Services Agreement with Todd Magazine

On August 8, 2024, Todd Magazine stepped down from his role as Chief Executive Officer of the Company, effective as of August 8, 2024.

On August 8, 2024, Mr. Magazine entered into the Transition Services Agreement with the Company, which provided for the severance benefits specified in Section 7.2 of the Magazine Employment Agreement. In addition, in consideration for the provision by Mr. Magazine of consulting services to the Company through December 31, 2024, and for his acknowledgement that the Employee Covenants Agreement between him and the Company, dated as of January 30, 2023, remains binding on him following his termination of employment, a total of 75,000 restricted stock units of the Company previously granted to Mr. Magazine, which were unvested and would otherwise have been forfeited, remained outstanding and vested on January 1, 2025.

Employment Agreements

Employment Agreement with Mr. Jashnani

On December 17, 2024, the Company appointed Yogesh Jashnani to serve as Chief Executive Officer of the Company and entered into an employment agreement with Mr. Jashnani, effective January 7, 2025 (previously filed as Exhibit 10.1 of the Company's Current Report on Form 8-K (file no. 001-40973), filed with the SEC on December 17, 2024) (the "Jashnani Employment Agreement").

The Jashnani Employment Agreement provides that Mr. Jashnani will receive a base salary of \$700,000, which may be reviewed annually and may be increased, but not decreased, without his consent. The Jashnani Employment Agreement also provides that Mr. Jashnani is eligible to receive an annual performance-based cash bonus with a target annual incentive of 100% of base salary, which incentive is earned based on the achievement of performance targets, as determined annually by our Board. Any annual bonus, to the extent earned, is paid in a lump sum.

The Jashnani Employment Agreement also provided that Mr. Jashnani would receive a sign-on cash bonus payment of \$262,500, with \$150,000 paid on signing and the remainder paid when annual bonuses are paid to the Company's executive officers, and a sign-on equity award with a grant value of \$2,333,333, consisting of RSUs with a grant date value of \$1,000,000 (vesting annually over three years) and of PSUs with a target grant date value of \$1,333,333 (eligible to vest over a three-year performance period based on stock price appreciation targets). Further, in the event that the Company requires Mr. Jashnani to relocate his principal office location to the Company's principal office, Mr. Jashnani shall be entitled to receive a subsidy for relocation costs up to a maximum of \$175,000.

Under the Jashnani Employment Agreement, Mr. Jashnani is also eligible to participate in the Company's 2021 Equity Incentive Plan, with a 2025 annual equity award having a grant date value of 200% of Mr. Jashnani's annual base salary on terms substantially similar to the Company's other executive officers, subject to the terms and conditions of the applicable grant agreement and the approval of the Board.

Executive Chairman Employment Agreement with Dr. Rollins

In connection with his appointment to Executive Chairman of the Board, Dr. Rollins entered into an amended and restated employment agreement as of January 4, 2023 (the "Second Amended and Restated Employment Agreement") (previously filed as Exhibit 10.2 to the Company's current report on Form 8-K, dated December 30, 2022), which expired as of October 29, 2024 in accordance with its terms. Dr. Rollins remains employed with the Company as an "at-will" employee.

The Second Amended and Restated Employment Agreement applied with respect to all of the compensation disclosed for Dr. Rollins in the "Summary Compensation Table" above.

Employment Agreement with Mr. Magazine

On December 30, 2022, the Company appointed Todd Magazine to serve as President and Chief Executive Officer of the Company and entered into an employment agreement with Mr. Magazine, effective January 30, 2023 (previously filed as Exhibit 10.1 of the Company's Current Report on Form 8-K (file no. 001-40973), filed with the SEC on January 6, 2023) (the "Magazine Employment Agreement"). On August 8, 2024, Mr. Magazine stepped down from his role as President and

Chief Executive Officer of the Company, which resulted in the termination of the Magazine Employment Agreement. The compensation paid under the Magazine Employment Agreement is disclosed in the "Summary Compensation Table" above.

Employment Agreement with Mr. Dean

On October 5, 2021, the Company entered into an Amended and Restated Employment Agreement with Mr. Dean in connection with our initial public offering (the "Amended and Restated Employment Agreement"), which agreement became effective upon completion of the Company's initial public offering. The Amended and Restated Employment Agreement applied with respect to all of the compensation disclosed for Mr. Dean in the "Summary Compensation Table" above.

The Amended and Restated Employment Agreement provides that Mr. Dean will receive a base salary of \$500,000, which may be reviewed annually and may be increased, but not decreased, without his consent. The Amended and Restated Employment Agreement also provides that Mr. Dean is eligible to receive an annual performance-based cash bonus with a target annual incentive of 75% of base salary, which incentive is earned based on the achievement of performance targets, as determined annually by our Board. Any annual bonus, to the extent earned, is paid in a lump sum.

Under the Amended and Restated Employment Agreement, Mr. Dean is also eligible to participate in the Company's annual equity grant program, with the first such annual equity grant in the first quarter of 2022, subject to the terms and conditions of the applicable grant agreement and the approval of the Board.

Employee Covenants Agreement

We entered into an Employee Covenants Agreement with Dr. Rollins dated as of October 2, 2018 (the "Rollins Covenants Agreement"), which agreement includes customary confidentiality and non-disparagement provisions, as well as provisions relating to assignment of inventions. On October 5, 2021, we entered into an amendment to the Rollins Covenants Agreement, which became effective upon completion of our initial public offering. The Rollins Covenants Agreement, as amended, also includes non-competition and non-solicitation of employees and customers provisions that run during Dr. Rollins' employment with the Company and for a period of twelve months after termination of employment.

We also entered into Employee Covenants Agreements with Mr. Magazine and Mr. Jashnani dated as of December 29, 2022 and January 7, 2025, respectively, which include customary confidentiality and non-disparagement provisions.

Outstanding Equity Awards at Fiscal Year-End

As of December 31, 2024, our named executive officers held outstanding equity-based awards of the Company as listed in the table below. For purposes of this summary, the Company assumes the market-based PSUs will be issued at 100% of the units within the range of 0% to 200%.

Name	Grant Date	Stock Awards			
		Number of Shares or Units That Have Not Yet Vested (#) ⁽¹⁾	Market Value of Shares or Units That Have Not Yet Vested (\$) ⁽²⁾	Equity Incentive Plan Awards: Number of Unearned Shares or Units That Have Not Vested (#)	Equity Incentive Plan Awards: Market Value of Unearned Shares or Units That Have Not Vested (\$)
Dr. Aaron Rollins	2/25/2022	21,462	111,388	—	—
Executive Chairman	3/14/2023	98,536	511,402	—	—
	3/14/2023	—	—	147,805	767,108
	2/20/2024	136,141	706,572	—	—
	2/20/2024	—	—	136,141	706,572
Todd Magazine⁽⁴⁾	1/31/2023	37,500	194,625	—	—
Former Chief Executive Officer	1/31/2023	—	—	63,172	327,863
	3/14/2023	37,500	194,625	—	—
	3/14/2023	—	—	94,569	490,813
	2/20/2024	—	—	21,882	113,568
Dennis Dean⁽⁵⁾	2/25/2022	6,132	31,825	—	—
Chief Financial Officer	3/14/2023	28,153	146,114	—	—
	3/14/2023	—	—	42,230	219,174
	2/20/2024	38,897	201,875	—	—
	2/20/2024	—	—	38,897	201,875

- (1) Includes RSU awards granted on February 25, 2022, March 14, 2023 and February 20, 2024 that vest in three equal installments one, two and three years after grant date. Further, pursuant to the terms of Todd Magazine's Transition Services Agreement and in consideration of consulting services provided thereunder, 37,500 RSUs associated with a grant on January 31, 2023 and 37,500 RSUs associated with a grant on March 14, 2023 remain outstanding and eligible to vest on January 1, 2025. These RSUs would have otherwise been forfeited but instead vested on January 1, 2025 upon satisfactory completion of the consulting services provided under the Transition Services Agreement.
- (2) Based on the closing sale price of AirSculpt common stock on NASDAQ of \$5.19 per share on December 31, 2024.
- (3) Includes PSU awards granted on January 31, 2023, March 14, 2023 and February 20, 2024 vest based on achievement of a relative total shareholder return, as described under "Annual Equity Awards" above. Under Todd Magazine's PSU award agreements, 63,172 PSUs related to his January 31, 2023 grant, 94,569 PSUs related to his March 13, 2023 grant and 21,882 PSUs related to his February 20, 2024 grant remain outstanding and eligible to vest at the end of the respective performance periods of such grants, subject to achievement of the performance objectives described therein. If the performance objectives are met by December 31, 2025 for his fiscal year 2023 grants and December 31, 2026 for his fiscal year 2024 grant, the awards would vest accordingly. These awards can range from 0% to 200% of the target amount reflected in this table.
- (4) Mr. Magazine served as the Company's Chief Executive Officer until August 8, 2024.
- (5) Mr. Dean served as the Company's Interim Chief Executive Officer and Chief Financial Officer from August 8, 2024 to January 7, 2025, at which time he returned to his role as Chief Financial Officer.

Potential Payments and Benefits upon Termination or Change in Control

As discussed under "Employment Agreements," the Amended and Restated Employment Agreements provide for certain severance payments in connection with our NEOs termination of employment under certain circumstances.

Director compensation

The following table sets forth the compensation awarded to, earned by or paid to the non-employee members of our board of directors in respect of their service to our board of directors during our Fiscal 2024. Dr. Rollins' compensation for Fiscal 2024 is included in the "Summary Compensation Table" above and as described in the accompanying narrative description.

Other than as set forth in the table below, we did not pay any compensation to any of the members of our board of directors for Fiscal 2024.

Name	Fees Earned or Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	All Other Compensation (\$)	Total (\$)
Thomas Aaron	102,500	150,000	—	252,500
Caroline Chu	100,000	150,000	—	250,000
Kenneth Higgins	107,500	150,000	—	257,500
Pamela Netzky ⁽³⁾	82,500	150,000	—	232,500

(1) The amounts in this column represent annual cash retainers, committee chair and committee membership fees. Any director who is an officer of the Company and any director who is nominated by Vesey Street Capital Partners, L.L.C., including Messrs. Feinstein and Sollof, did not receive any AirSculpt director compensation.

(2) The amounts in this column represent the grant date fair value, as determined in accordance with FASB ASC Topic 718, of awards of restricted stock units granted under the 2021 Plan. Aggregate restricted stock unit awards outstanding as of December 31, 2024 are 26,087 for each of Mr. Aaron, Ms. Chu, and Mr. Higgins.

(3) On December 24, 2024, Ms. Netzky resigned as a director and as a member of the Nominating and Corporate Governance Committee of the Company's board of directors.

Narrative to Director Compensation Table

In connection with our initial public offering, we adopted a formal policy governing the compensation of our non-employee directors. Any director who also serves as an employee receives no additional compensation for services as a director or as a member of a committee of our Board. Compensation for our non-employee directors (other than Adam Feinstein and Daniel Sollof, who are not compensated for their service as directors) includes an annual cash retainer of \$75,000. In addition, non-employee directors (other than Adam Feinstein and Daniel Sollof, who are not compensated for their service as directors) also receive an additional cash retainer for service on the audit committee, compensation committee, or nominating and corporate governance committee of our Board. The chairman of the audit committee receives an additional cash retainer of \$20,000, and the other members of the audit committee will receive an additional cash retainer of \$10,000. The chairmen of the compensation committee or nominating and corporate governance committee each receive an additional cash retainer of \$15,000, and each other member of such committee will receive an additional cash retainer of \$7,500. All cash retainers for service on committees of our Board are payable quarterly. All cash retainers will be pro-rated for any partial periods of service. In addition to cash compensation, each non-employee director (other than Adam Feinstein and Daniel Sollof, who are not compensated for their service as directors) receives an annual RSU grant, which will be granted at each annual meeting of our stockholders and will vest upon the earlier of (i) the first anniversary of the date of grant or (ii) the day prior to our next annual meeting of stockholders. By completing a deferral election in the year prior to the annual RSU grant, each director may elect to defer all, or a portion, of the RSUs granted to such director in the following year. Settlement of such RSUs may be deferred until the director's separation from service or a date specified at the time of such election. For Fiscal 2024, we granted 26,087 RSUs under the 2021 Plan to each of our non-employee directors which RSUs will vest on May 7, 2025, subject to each non-employee director's continued service through such date.

Compensation Committee Interlocks and Insider Participation

All compensation and related matters are reviewed by our compensation committee. None of the members of our compensation committee is or has at any time during the past year been an officer or employee of ours. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our Board or compensation committee.

Policies and Practices Related to the Grant of Certain Equity Awards Close in Time to the Release of Material Nonpublic Information

We do not grant stock options, stock appreciation rights, or similar option-like instruments and, as such, do not have any policy or practice in place on the timing of awards of options, stock appreciation rights, or similar option-like instruments in relation to the disclosure of material non-public information. If in the future we anticipate granting stock options, stock

appreciation rights, or similar option-like instruments, we may establish a policy regarding how the board of directors determines when to grant such awards and how the board of directors or the compensation committee will take material nonpublic information into account when determining the timing and terms of such awards.

Item 12. Security Ownership of Certain Beneficial Owner and Management and Related Stockholder Matters

Beneficial Ownership

The following table sets forth information regarding the beneficial ownership of our common stock as of March 13, 2025 by (i) each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock, (ii) each of our directors and named executive officers, and (iii) all of our directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to such securities. To our knowledge, except as otherwise indicated, all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws.

Applicable percentage ownership is based on 58,574,516 shares of common stock outstanding as of March 13, 2025. RSUs that may vest and settle within 60 days of March 13, 2025 are deemed to be outstanding and to be beneficially owned by the person holding the RSUs for the purpose of computing the percentage ownership of that person but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the address for each listed stockholder is: 1111 Lincoln Road, Suite 802, Miami Beach, Florida 33139.

Name and address of beneficial owner	Common Stock beneficially owned	
	Number	Percentage
5% stockholders:		
Dr. Aaron Rollins	14,718,944	25.13 %
Entities affiliated with Vesey Street Capital Partners, L.L.C. ⁽¹⁾⁽²⁾	29,324,180	50.06 %
Thrivent Financial for Lutherans ⁽³⁾	5,169,819	8.83 %
SW Investment Management LLC ⁽⁴⁾	4,700,000	8.02 %
Directors and named executive officers:		
Todd Magazine ⁽⁵⁾	268,068	*
Yogi Jashnani ⁽⁶⁾	—	*
Dennis Dean ⁽⁷⁾	542,043	*
Dr. Aaron Rollins ⁽⁸⁾	14,718,944	25.13 %
Adam Feinstein ⁽¹⁾	29,324,180	50.06 %
Daniel Sollof	—	*
Caroline Chu	92,099	*
Thomas Aaron ⁽⁹⁾	91,899	*
Kenneth Higgins ⁽⁹⁾	89,099	*
All executive officers and directors as a group (9 persons)	45,126,332	77.04 %

* Represents less than 1%.

- (1) Consists of 13,575,862 shares of common stock held directly by VSCP EBS Aggregator, L.P., a Delaware limited partnership (“VSCP EBS”), 4,374,714 shares of common stock held directly by Vesey Street Capital Partners Healthcare Fund-A, L.P., a Delaware limited partnership (“VSCP Health Fund A”), and 11,373,604 shares of common stock held directly by EBS Aggregator Blocker Holdings, LLC, a Delaware limited liability company (“Aggregator Blocker Holdings”). Mr. Feinstein serves as managing partner of Vesey Street Capital Partners, L.L.C., a Delaware limited liability company (“VSCP Fund”), which is the general partner of Vesey Street Capital Partners Healthcare GP, L.P., a Delaware limited partnership, which serves as the general partner of VSCP EBS and VSCP Health Fund A. and the manager of Aggregator Blocker Holdings. The address for Mr. Feinstein, VSCP EBS, VSCP Health GP, Aggregator Blocker Holdings and VSCP Fund is c/o Adam Feinstein, 428 Greenwich Street, New York, NY 10013.
- (2) Shares voting power and investment power of the 11,373,604 shares of common stock with investors in EBS Aggregator Blocker Holdings, LLC.
- (3) Thrivent Financial for Lutherans is located at 901 Marquette Avenue, Suite 2500, Minneapolis, MN 55402.
- (4) SW Investment Management LLC is located at 215 N. Fir St., Telluride, Colorado, 81435.
- (5) Mr. Magazine served as the Company's Chief Executive Officer until August 8, 2024.
- (6) Mr. Jashnani was appointed to serve as the Company's Chief Executive Officer and as a director of the Company, effective January 7, 2025.
- (7) Includes 14,077 shares of common stock issuable within 60 days of March 13, 2025 pursuant to restricted stock units.
- (8) Includes 49,268 shares of common stock issuable within 60 days of March 13, 2025 pursuant to restricted stock units.
- (9) Includes 29,762 restricted stock units issued to the holder on May 10, 2023, which were deferred pursuant to a Non-Employee Director Restricted Stock Unit Deferral Election, the underlying shares of which could be settled in stock within 30 days upon the holder's resignation as a director of the Company, without the need to satisfy any additional vesting requirements.

Equity Compensation Plan Information

The following table provides certain information with respect to all of our equity compensation plans in effect as of December 31, 2024. For purposes of this summary, the Company assumes the market-based PSUs will be issued at 100% of the units within the range of 0% to 200%.

Name	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights ⁽²⁾	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders ⁽¹⁾	1,615,383	\$0	5,834,850
Equity compensation plans not approved by security holders	—	—	—
Total	1,615,383	\$0	5,834,850

- (1) Total reflects outstanding stock options, RSUs and PSUs granted pursuant to our 2021 Equity Incentive Plan as of December 31, 2024. The number of shares of common stock reserved for issuance under the 2021 Plan will automatically increase on January 1 of each year, beginning on January 1, 2023, and continuing through and including January 1, 2031, by four percent (4%) of the aggregate number of shares of common stock issued and outstanding on December 31 of the preceding calendar year, or a lesser number of shares determined by our board of directors prior to the applicable January 1.
- (2) The weighted-average exercise price of outstanding options, warrants and rights is \$0 because there are no outstanding options and the outstanding RSUs and PSUs have no exercise price.

Section 16(a) Reporting

Section 16(a) of the Exchange Act requires that our directors, executive officers, and persons who beneficially own more than 10% of our common stock file reports with the SEC relating to their initial beneficial ownership of our securities and any subsequent changes. These reports are commonly referred to as Form 3, Form 4 and Form 5 reports.

Based solely on a review of the copies of such forms in our possession, and on written representations from the reporting persons, we believe that all of these reporting persons complied with their filing requirements on a timely basis for the fiscal year ended December 31, 2024, except for three Form 4s, which were filed by Dr. Aaron Rollins, Todd Magazine and Dennis Dean after the time period allowed for disclosing compensatory grants of awards of 136,141, 38,898 and 108,913 Restricted Stock Units, respectively, made on February 20, 2024 pursuant to the Company's 2021 Equity Incentive Plan.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Management Services Agreements and Continuity Agreements

We have entered into MSAs with Elite Body Sculpture, PC (California), EBS Florida, PLLC, EBS Minnesota, LLC, Madison Avenue Medical PLLC (New York) (the “New York Professional Association”), EBS Tennessee, PLLC, EBS—Texas, PLLC, EBS Utah, LLC, EBS Virginia, LLC, and EBS Washington, PLLC. Each of these Professional Associations is owned by Dr. Aaron Rollins. Dr. Aaron Rollins does not receive any additional compensation as a result of his ownership interest in these Professional Associations.

In July 2020, we entered into an MSA with EBS Arizona, LLC, which is owned by Dr. Aaron Rollins’ father, Dr. Arlen J. Rollins. Pursuant to this MSA, during Fiscal 2024 and Fiscal 2023, Dr. Arlen J. Rollins received compensation of \$48,000 and \$48,000, respectively, for his role as medical director of our center located in Scottsdale, Arizona.

In connection with each of the MSAs, we entered into Continuity Agreements with Dr. Aaron Rollins and Dr. Arlen J. Rollins; provided that, because of limitations under New York law, there is no Continuity Agreement in place with respect to the New York Professional Association.

Stockholders Agreement

In connection with our initial public offering, we entered into the Stockholders Agreement, which requires us to, among other things, nominate a number of individuals designated by affiliates of our Sponsor for election to the Board at any meeting of our stockholders (each a “Sponsor Director”) such that, upon the election of each such individual, and each other individual nominated by or at the direction of our Board or a duly-authorized committee of the Board, as a director of our Company, and taking into account any director continuing to serve without the need for re-election, the number of Sponsor Directors serving as directors of our Company will be equal to:

- if affiliates of our Sponsor together beneficially own 25% or more of our outstanding shares of common stock, two Sponsor Directors; and
- if affiliates of our Sponsor together beneficially own 10 % or more, but less than 25%, of our outstanding shares of common stock, one Sponsor Director.

For so long as the Stockholders Agreement remains in effect, Sponsor Directors may be removed only with the consent of our Sponsor. In the case of a vacancy on our Board created by the removal or resignation of a Sponsor Director, the Stockholders Agreement requires us to nominate an individual designated by affiliates of our Sponsor for election to fill the vacancy. Additionally, for so long as affiliates of our Sponsor hold at least 25% of our outstanding shares of common stock, we must take all necessary action to ensure that the number of directors serving on our Board will not exceed eight without the consent of affiliates of our Sponsor. Further, for so long as affiliates of our Sponsor are entitled to designate two Sponsor Directors for election to our Board, we are required to take all necessary action to cause the chairperson of our Board to be an individual chosen by affiliates of our Sponsor.

Additionally, the Stockholders Agreement grants Dr. Aaron Rollins the right to nominate one director (the “Rollins Director”) to our Board for so long as Dr. Aaron Rollins beneficially owns 10% or more of our outstanding shares of common stock. For so long as the Stockholders Agreement remains in effect, the Rollins Director may be removed only with the consent of Dr. Aaron Rollins. In the case of a vacancy on our Board created by the removal or resignation of the Rollins Director, the Stockholders Agreement requires us to nominate an individual designated by Dr. Aaron Rollins for election to fill the vacancy.

On July 30, 2024, the Company, Sponsor and Dr. Rollins entered into an amendment to the Stockholders Agreement, which provides that the Board and any committee thereof shall have no obligation to recommend a Sponsor Director or a Rollins Director for election to the Board at a meeting of stockholders called for the purpose of electing directors if the Board or such committee, in exercising its fiduciary duties to the Company and its stockholders, does not believe that such Sponsor Director or Rollins Director should be elected to the Board.

The Stockholders Agreement also requires us to obtain customary director indemnity insurance and enter into indemnification agreements with the Sponsor Directors and the Rollins Director.

Registration Rights Agreement

In connection with our initial public offering, we entered into a registration rights agreement with our Sponsor and Dr. Aaron Rollins. The registration rights agreement provides our Sponsor and Dr. Aaron Rollins with certain demand registration rights, including shelf registration rights, in respect of any shares of our common stock held by it, subject to certain conditions. In addition, in the event that we register additional shares of common stock for sale to the public, we will be required to give notice of such registration to our Sponsor and Dr. Aaron Rollins, and, subject to certain limitations, include shares of common stock held by them in such registration. The agreement includes customary indemnification provisions in favor of our Sponsor and Dr. Aaron Rollins, any person who is or might be deemed a control person (within the meaning of the Securities Act and the Exchange Act) and related parties against certain losses and liabilities (including reasonable costs of investigation and legal expenses) arising out of or based upon any filing or other disclosure made by us under the securities laws relating to any such registration.

Indemnification of Officers and Directors

We are party to indemnification agreements with each of our officers and directors. The indemnification agreements provide the officers and directors with contractual rights to indemnification, expense advancement and reimbursement, to the fullest extent permitted under Delaware law. Additionally, we may enter into indemnification agreements with any new directors or officers that may be broader in scope than the specific indemnification provisions contained in Delaware law. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our officers and directors pursuant to the foregoing agreements, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is therefore unenforceable.

Limited Guarantee

In connection with the Third Amendment, the Company, SVB and our Sponsor (through certain affiliated entities) entered into the Limited Guarantee, pursuant to which our Sponsor agreed to provide a \$10.0 million limited guaranty of the Company's obligations under the Credit Agreement. The Limited Guarantee is callable on June 15, 2025 (or upon the earlier occurrence of certain defaults described therein) if the Company has not prepaid the Term Loan (excluding regularly scheduled amortization) by \$10.0 million as of such date. Under the terms of the Limited Guarantee, if Sponsor is required to make any payment under the Limited Guarantee (other than as a result of a bankruptcy event), then Sponsor will be deemed to have purchased shares of common stock of the Company having an aggregate value equal to the amount of such payment. The Company has agreed to issue a subordinated note to Sponsor if a payment occurs under the Limited Guarantee, to the extent such payment does not result from the issuance of shares of common stock by the Company to Sponsor.

Policies and Procedures for Related Party Transactions

Our audit committee charter provides that the audit committee has the primary responsibility for reviewing and approving or disapproving "related party transactions," which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed the lesser of \$120,000 or 1% of the average of our total assets at year end for the last two completed fiscal years, and in which a related person has or will have a direct or indirect material interest. For purposes of this policy, a related person will be defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of our common stock, in each case since the beginning of the most recently completed year, and their immediate family members. Our Board adopted a policy governing the review and approval of related party transactions by the audit committee.

Director Independence

Our Board has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment and affiliations, our Board has determined that Caroline Chu, Thomas Aaron, Kenneth Higgins, Daniel Sollof and Adam Feinstein do not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under Rule 5605(a) of the Nasdaq listing standards. In making determinations under Rule 5605(d) of the Nasdaq listing standards, our Board considered the current and prior relationships that each non-employee director has with our company, including the fact that Daniel Sollof and Adam Feinstein are affiliates of our Sponsor, which owns 50.1% of our common stock.

Item 14. Principal Accounting Fees and Services

SEC regulations and the Nasdaq listing standards require our audit committee to engage, retain, and supervise our independent registered public accounting firm. Our audit committee annually reviews our independent registered public accounting firm's independence, including reviewing all relationships between the independent registered public accounting firm and us and any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm, and the independent registered public accounting firm's performance. Grant Thornton LLP has served as our independent registered public accounting firm since 2018.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm

Pursuant to the audit committee charter, the audit committee is responsible for the oversight of our accounting, reporting, and financial practices. The audit committee has the responsibility to select, appoint, engage, oversee, retain, evaluate, and terminate our external auditors; pre-approve all audit and non-audit services to be provided, consistent with all applicable laws, to us by our external auditors; and establish the fees and other compensation to be paid to our external auditors. During 2024, the audit committee pre-approved all audit and permitted non-audit services provided by Grant Thornton LLP.

The following sets forth fees billed by Grant Thornton LLP for the audit of our annual financial statements and other services rendered for the fiscal years ended December 31, 2024 and December 31, 2023:

	Fiscal year ended December 31,	
	2024	2023
Audit fees⁽¹⁾	\$ 509,370	\$ 441,176
Audit-related fees	—	—
Tax fees⁽²⁾	—	31,610
All other fees	—	—
Total fees	\$ 509,370	\$ 472,786

(1) "Audit fees" include fees for professional services rendered for the audit of our consolidated financial statements, reviews of the interim consolidated financial statements included in quarterly reports and services that are normally provided by Grant Thornton in connection with the financial statement audit.

(2) "Tax fees" include fees for tax compliance and advice.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a) Financial Statements, Financial Statement Schedules and Exhibits

(1) Financial Statements;

Our Consolidated Financial Statements and Notes thereto are set forth starting on page 85 of this Annual Report on Form 10-K.

(2) Financial Statement Schedules;

All financial schedules have been omitted either because they are not applicable or because the required information is provided in our Consolidated Financial Statements and Notes thereto, starting on page 85 of this Annual Report on Form 10-K.

(3) Exhibits:

The exhibits listed below are filed as part of or incorporated by reference into this Annual Report on Form 10-K.

Exhibit	Description	Incorporated by Reference			
		Schedule/Form	File Number	Exhibit	File Date
3.1	Amended and Restated Articles of Incorporation	10-Q	001-40973	3.1	8/11/23
3.2	Amended and Restated Bylaws	10-Q	001-40973	3.2	12/03/21
4.1	Specimen Common Stock Certificate evidencing the shares of Common Stock	S-1/A	333-260067	4.1	10/28/21
4.2	Registration Rights Agreement by and between the Company and the Sponsor, dated November 2, 2021	10-Q	001-40973	10.15	12/03/21
4.3	Stockholders Agreement by and between the Company, VSCP EBS Aggregator, LP, Dr. Aaron Rollins, and JCBI II LLC, dated November 2, 2021, as amended on July 30, 2024	10-Q	001-40973	10.1	11/08/24
4.4	Description of Registrant's Securities	10-K	001-40973	4.4	03/11/22
10.1	Form of Indemnification Agreement by and between the Company and each of its directors and officers	10-Q	001-40973	10.1	12/03/21
10.2	Credit Agreement dated as of November 7, 2022, among AirSculpt Technologies, Inc., as Holdings, EBS Intermediate Parent LLC, as Intermediate Holdings, EBS Enterprises LLC, as the Borrower, the several lenders from time to time party hereto, and Silicon Valley Bank, as Administrative Agent, Issuing Lender and Swingline Lender	8-K	001-40973	10.1	11/09/22
10.3	Second Amendment to Credit Agreement, dated September 13, 2024	8-K	001-40973	10.1	09/13/24
10.4	Third Amendment to Credit Agreement, dated March 12, 2025				
10.5	Limited Guarantee, dated March 12, 2025				
10.6†	Form of Management Services Agreement	10-Q	001-40973	10.3	12/03/21
10.7†	Form of Continuity Agreement	10-Q	001-40973	10.4	12/03/21
10.8†	2021 Equity Incentive Plan	10-Q	001-40973	10.6	12/03/21
10.9†	Employment Agreement between the Company and Todd Magazine, dated December 29, 2022	8-K	001-40973	10.1	01/06/23
10.10†	Transition Services Agreement between the Company and Todd Magazine, dated August 8, 2024	8-K	001-40973	10.1	08/09/24

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10.11†	Second Amended and Restated Employment Agreement between the Company and Dr. Rollins, dated January 3, 2023	8-K	001-40973	10.30	01/06/23
10.12†	Amended and Restated Employment Agreement between EBS Enterprises, LLC and Dennis Dean	10-Q	001-40973	10.10	12/03/21
10.13†	Employment Agreement between the Company and Yogesh Jashnani, dated December 6, 2024	8-K	001-40973	10.1	12/17/24
10.14†	Form of AirSculpt Technologies, Inc. RSU Award Grant Notice and Award Agreement (IPO Grants)	10-Q	001-40973	10.7	12/03/21
10.15†	Form of AirSculpt Technologies, Inc. PSU Award Grant Notice and Award Agreement (IPO Grants)	10-Q	001-40973	10.8	12/03/21
10.16†	Form of AirSculpt Technologies, Inc. 2021 RSU Award Grant Notice and Award Agreement	10-Q	001-40973	10.12	12/03/21
10.17†	Employee Covenants Agreement, dated as of October 2, 2018, by and between EBS Enterprises, LLC and Dr. Aaron Rollins	10-Q	001-40973	10.13	12/03/21
10.18†	First Amendment to Employee Covenants Agreement, dated as of October 5, 2021, by and between EBS Enterprises, LLC and Dr. Aaron Rollins	10-Q	001-40973	10.14	12/03/21
10.19†	Form of AirSculpt Technologies, Inc. 2022 PSU Award Grant Notice and Award Agreement	8-K	001-40973	10.1	03/03/21
19.1	Insider Trading Policy				
21.1	List of Subsidiaries	S-1/A	333-260067	21.1	10/28/21
23.1	Consent of Grant Thornton LLP				
24.1	Power of Attorney (set forth on the signature page to this Annual Report on Form 10-K)				
31.1	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).				
31.2	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).				
32.1	Certification of the Chief Executive Officer and the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350.				
97	Compensation Clawback Policy, effective as of October 2, 2023	10-K	001-40973	97	02/27/24
101.INS	Inline XBRL Instance (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)				
101.SCH	Inline XBRL Taxonomy Extension Schema				
101.CAL	Inline XBRL Taxonomy Extension Calculation				
101.LAB	Inline XBRL Taxonomy Extension Labels				
101.PRE	Inline XBRL Taxonomy Extension Presentation				

101.DEF	Inline XBRL Taxonomy Extension Definition
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

† Indicates a management or compensatory plan or arrangement in which directors or executive officers are eligible to participate.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

AIRSCULPT TECHNOLOGIES, INC.

Date: March 14, 2025

By: /s/ Yogi Jashnani
Yogi Jashnani
Chief Executive Officer
(Principal Executive Officer)

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Yogi Jashnani and Dennis Dean, jointly and severally, his or her attorneys-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

SIGNATURES	TITLE	DATE
<hr/> <i>/s/ Yogi Jashnani</i> Yogi Jashnani	Chief Executive Officer, Director (Principal Executive Officer)	March 14, 2025
<hr/> <i>/s/ Dennis Dean</i> Dennis Dean	Chief Financial Officer (Principal Financial Officer)	March 14, 2025
<hr/> <i>/s/ Philip Bodie</i> Philip Bodie	Chief Accounting Officer (Principal Accounting Officer)	March 14, 2025
<hr/> <i>/s/ Dr. Aaron Rollins</i> Dr. Aaron Rollins	Executive Chairman of the Board	March 14, 2025
<hr/> <i>/s/ Adam Feinstein</i> Adam Feinstein	Director	March 14, 2025
<hr/> <i>/s/ Daniel Sollof</i> Daniel Sollof	Director	March 14, 2025
<hr/> <i>/s/ Caroline Chu</i> Caroline Chu	Director	March 14, 2025
<hr/> <i>/s/ Thomas Aaron</i> Thomas Aaron	Director	March 14, 2025
<hr/> <i>/s/ Kenneth Higgins</i> Kenneth Higgins	Director	March 14, 2025

THIRD AMENDMENT TO CREDIT AGREEMENT

This Third Amendment to Credit Agreement, dated as of March 12, 2025 (this “*Agreement*”), by and among AIRSCULPT TECHNOLOGIES, INC., a Delaware corporation (“*Holdings*”), EBS INTERMEDIATE PARENT LLC, a Delaware limited liability company (“*Intermediate Holdings*”), EBS ENTERPRISES LLC, a Delaware limited liability company (the “*Borrower*”), the Lenders party hereto and SILICON VALLEY BANK, a division of FIRST-CITIZENS BANK & TRUST COMPANY (“*SVB*”), as Administrative Agent, Issuing Lender and Swingline Lender.

WITNESSETH:

WHEREAS, the parties hereto are party to that certain Credit Agreement, dated as of November 7, 2022 (as amended by that certain First Amendment and Limited Waiver to Credit Agreement, dated as of March 9, 2023, as amended by that certain Second Amendment to Credit Agreement, dated as of September 13, 2024 and as further amended, restated, amended and restated, modified or supplemented and in effect from time to time prior to the date hereof, the “*Credit Agreement*”) by and among the Borrower, Holdings, Intermediate Holdings, the Administrative Agent, and the several banks and other financial institutions or entities from time to time party thereto. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement;

WHEREAS, pursuant to Section 10.1(a) of the Credit Agreement, Holdings, Intermediate Holdings, the Borrower, the undersigned Lenders (including the Required Lenders) and the Administrative Agent have agreed to amend the Credit Agreement to, among other things, (a) amend Section 7.1 of the Credit Agreement and (b) effect such other amendments to the Credit Agreement as set forth herein;

WHEREAS, each Lender under the Credit Agreement immediately prior to the Third Amendment Effective Date (collectively, the “*Existing Lenders*”) that executes and delivers a “Consent” in the form attached hereto as Exhibit B (a “*Lender Consent*”, and each such Lender, a “*Consenting Lender*”) by 5:00 p.m. (New York City time), on March 12, 2025 (the “*Consent Deadline*”) hereby agrees to the terms and conditions of this Agreement;

WHEREAS, each Loan Party party hereto expects to realize substantial direct and indirect benefits as a result of this Agreement becoming effective and reaffirms in Section 7(c) of this Agreement its obligations under the Amended Credit Agreement (as defined below) and the other Loan Documents to which it is a party (the transactions described in the foregoing paragraphs, including entry into this Agreement and the payment of fees and expenses in connection herewith, are collectively referred to as the “*Third Amendment Transactions*”);

WHEREAS, the Borrower has engaged SVB to act as sole lead arranger and bookrunner for this Agreement (the “*Lead Arranger*”); and

WHEREAS, the amendments to the Credit Agreement set forth below are subject to the satisfaction of the conditions precedent to effectiveness referred to herein and shall become effective as provided herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Amendments to the Credit Agreement.

(a) Subject to the satisfaction (or waiver by the Administrative Agent and the Lenders party hereto) of the conditions in Section 2 of this Agreement, the Credit Agreement is hereby amended by inserting the language indicated in double underlined text (indicated textually in the same manner as the following example: underlined text) in Exhibit A hereto and by deleting the language indicated by strikethrough text (indicated textually in the same manner as the following example: ~~stricken text~~) in Exhibit A hereto (the Credit Agreement, as so amended, being referred to as the "*Amended Credit Agreement*").

2. Conditions Precedent to Effectiveness. The effectiveness of this Agreement is subject only to the satisfaction (or waiver by the Administrative Agent and the Lenders party hereto) of the following conditions precedent (the date on which such conditions have been satisfied (or waiver by the Administrative Agent and the Lenders party hereto), the "*Third Amendment Effective Date*"):

(a) **Counterparts.** The Administrative Agent shall have received (i) counterparts of this Agreement that, when taken together, bear the signatures of Holdings, Intermediate Holdings, the Borrower and the Administrative Agent and (ii) from each Consenting Lender, a Lender Consent (including by way of facsimile or other electronic transmissions) by the Consent Deadline, which delivery by the terms of each Lender Consent shall be deemed to be execution and delivery of this Agreement and constitute irrevocable and unconditional approval of the terms hereof and the Amended Credit Agreement.

(b) **Representations and Warranties.** Each of the representations and warranties made by each Loan Party in or pursuant to any Loan Document (i) that is qualified by materiality shall be true and correct, and (ii) that is not qualified by materiality, shall be true and correct in all material respects, in each case, 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 in all material respects or in all respects, as applicable, as of such earlier date.

(c) **No Event of Default.** As of the Third Amendment Effective Date and immediately after giving effect to this Agreement and the Third Amendment Transactions, no Default or Event of Default shall have occurred and be continuing.

(d) **Secretary's or Managing Member's Certificates; Certified Operating Documents; Good Standing Certificates.** The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Third Amendment Effective Date and executed by the Secretary, Managing Member or equivalent officer of such Loan Party, substantially in the form of Exhibit C to the Credit Agreement, with appropriate insertions and attachments, including (A) the Operating Documents of such Loan Party, or a certification that such Operating Documents have not changed since last delivered to Administrative Agent, and a certification that such documents are in full force and effect on and as of the Third Amendment Effective Date and no action for any amendment to such Operating Documents has been taken or is pending, (B) the relevant board 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 this Agreement 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, and (ii) a long form good standing certificate for each Loan Party from its respective jurisdiction of organization.

(e) **Responsible Officer's Certificates.** The Administrative Agent shall have received a certificate of a Responsible Officer of the Borrower certifying that (A) the conditions set forth in Sections 2(b) and (c) of this Agreement have been satisfied and (B) there has been no event or circumstance since December 31, 2023, that has had or that could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(f) **Patriot Act, Etc.** The Administrative Agent and each Lender shall have received, prior to the Third Amendment Effective Date, all documentation and other information requested to comply with applicable "know your customer" and anti-money-laundering rules and regulations, including the Patriot Act, and a properly completed and signed IRS Form W-8 or W-9, as applicable, for each Loan Party. To the extent any Loan Party qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, the Administrative Agent shall have received a Beneficial Ownership Certification in relation to such Loan Party, to the extent reasonably requested in advance of the Third Amendment Effective Date.

(g) **Fund Guarantee.** The Administrative Agent shall have received an executed Limited Guarantee dated as of the date hereof from Vesey Street Capital Partners HealthCare Fund, L.P. and Vesey Street Capital Partners HealthCare Fund-A, L.P. in form and substance satisfactory to the Administrative Agent (the "**Fund Guarantee**").

(h) **Fees.** The Lenders, the Lead Arranger and the Administrative Agent shall have received all fees required to be paid on or prior to the Third Amendment Effective Date (including pursuant to any letter agreement as have separately been agreed by Holdings and any of the Consenting Lenders and the Lead Arranger), and all reasonable and documented fees and expenses for which invoices have been presented (including the reasonable and documented fees and expenses of legal counsel to the Administrative Agent) for payment on or before the Third Amendment Effective Date.

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

3. **Representations and Warranties.** In order to induce the other parties hereto to enter into this Agreement, to induce Lenders to consent to amend the Credit Agreement in the manner provided herein, each Loan Party represents and warrants to each Lender and the Administrative Agent that, after giving effect to this Agreement:

(a) the representations and warranties set forth in Section 4 of the Credit Agreement are true and correct in all material respects on and as of the date hereof to the same extent as if made on and as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date;

(b) no Default or Event of Default has occurred and is continuing or would result from the execution, delivery and performance of this Agreement; and

(c) each Loan Party has the power and authority, and the legal right, to make, deliver and perform this Agreement. Each Loan Party has taken all necessary organizational action to authorize the execution, delivery and performance 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 execution, delivery, performance, validity or

enforceability of this Agreement. This Agreement has been duly executed and delivered on behalf of each Loan Party. This Agreement constitutes a legal, valid and binding obligation of each Loan Party, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4. Governing Law; Submission to Jurisdiction; Waivers. The provisions of Sections 10.13 and 10.14 of the Credit Agreement are hereby incorporated *mutatis mutandis*.

5. Counterpart Execution. 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. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption 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 or the use of a paper-based recordkeeping system, as the case may be, 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.

6. Effect on Loan Documents; Limitation of Amendment; Reaffirmation.

(a) The terms, provisions and conditions of the Credit Agreement and each of the other Loan Documents, as amended hereby, shall be and remain in full force and effect in accordance with their respective terms and hereby are ratified and confirmed in all respects. The execution, delivery, and performance of this Agreement shall not operate, except as expressly set forth herein, as a modification or waiver of any right, power, or remedy of the Administrative Agent or any Lender under the Credit Agreement or any other Loan Document. Nothing herein shall be deemed to entitle the Borrower to a further consent to, or a further waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances or excuse any non-compliance with the Loan Documents.

(b) Each of the Borrower, Holdings and Intermediate Holdings hereby agrees and acknowledges that the Lenders require and will require strict performance by the Loan Parties of all of their respective obligations, agreements and covenants contained in the Credit Agreement and the other Loan Documents, and no inaction or action regarding any Default or Event of Default is intended to be or shall be a waiver thereof.

(c) Each of the Borrower, Holdings and Intermediate Holdings, in its respective capacity as debtor, grantor, mortgagor, pledgor, guarantor, assignor, or in any other similar capacity in which such Loan Party grants liens, pledges or security interests in its property or otherwise acts as accommodation party, guarantor or indemnitor, as the case may be, hereby (i) ratifies and reaffirms all of its payment and performance obligations, contingent or otherwise, under each of the Loan Documents to which it is a party (after giving effect hereto) and (ii) to the extent such Loan Party granted liens on or security interests in or pledges over any of its property pursuant to any such Loan Document as security for or otherwise guaranteed the Obligations under or with respect to the Loan Documents, ratifies and reaffirms such guarantee and grant of security interests, liens and pledges and confirms and agrees that such guarantee includes, and such security interests, pledges and liens hereafter secure, all of the Obligations. The execution of this Agreement shall not operate as a waiver of any right, power or remedy of the Administrative Agent or the Lenders, constitute a waiver of any provision of any of the Loan Documents or serve to effect a novation of the Obligations. Nothing implied in this Agreement or in any other document contemplated hereby shall be construed as a release or other discharge of

any of the Loan Parties under any Loan Document from any of its obligations and liabilities as a borrower, guarantor or pledgor under any of the Loan Documents.

(d) Upon and after the date hereof, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “herein”, “hereof” or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “therein”, “thereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as hereby amended.

(e) To the extent that any terms and conditions in any of the Loan Documents shall contradict or be in conflict with any terms or conditions of the Credit Agreement as hereby amended, such terms and conditions are hereby deemed modified or amended accordingly to reflect the terms and conditions of the Credit Agreement as hereby amended.

(f) The parties hereto acknowledge and agree that this Agreement constitutes a “Loan Document” for all purposes of the Amended Credit Agreement and the other Loan Documents (it being understood that this Agreement may be amended or waived solely by the parties hereto in accordance with Section 8 of this Agreement).

7. Expenses and Indemnity. The Borrower agrees to pay all reasonable out-of-pocket costs and expenses incurred by the Administrative Agent in connection with this Agreement and any other documents prepared in connection herewith, in each case to the extent required by Section 10.5 of the Credit Agreement. The Borrower hereby confirms that the indemnification provisions set forth in Section 10.5 of the Credit Agreement shall apply to this Agreement and such losses, claims, damages, liabilities, costs and expenses (as more fully set forth therein as applicable) which may arise herefrom or in connection herewith.

8. Amendments; Headings; Severability. This Agreement may not be amended nor may any provision hereof be waived except pursuant to a writing signed by Holdings, Intermediate Holdings, the Borrower and the Administrative Agent. The section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting this Agreement. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions, the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

[SIGNATURE PAGES FOLLOW]

In Witness Whereof, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

AIRSCULPT TECHNOLOGIES, INC.,
as Holdings

By: /s/ Dennis Dean
Name: Dennis Dean
Title: Chief Financial Officer

EBS INTERMEDIATE PARENT LLC,
as Intermediate Holdings

By: /s/ Dennis Dean
Name: Dennis Dean
Title: Chief Financial Officer

EBS ENTERPRISES LLC,
as the Borrower

By: /s/ Dennis Dean
Name: Dennis Dean
Title: Chief Financial Officer

[Signature Page to Third Amendment to Credit Agreement]

FIRST-CITIZENS BANK & TRUST COMPANY, as the Administrative Agent and a Lender

By: /s/ Jason Hedrick
Name: Jason Hedrick
Title: Managing Director

[Signature Page to Third Amendment to Credit Agreement]

CONSENT TO THIRD AMENDMENT

CONSENT (this “**Consent**”) to Third Amendment to Credit Agreement, dated as of March 12, 2025 (the “**Amendment**”), by and among AIRSCULPT TECHNOLOGIES, INC., a Delaware corporation (“**Holdings**”), EBS INTERMEDIATE PARENT LLC, a Delaware limited liability company (“**Intermediate Holdings**”), EBS ENTERPRISES LLC, a Delaware limited liability company (the “**Borrower**”), the Lenders party hereto and SILICON VALLEY BANK, a division of FIRST-CITIZENS BANK & TRUST COMPANY (“**SVB**”), as Administrative Agent, Issuing Lender and Swingline Lender. Unless otherwise defined herein, terms defined in the Amendment and used herein shall have the meanings given to them in the Amendment.

Consent:

By executing the accompanying signature page, the undersigned Lender hereby irrevocably and unconditionally approves of and consents to the Amendment with respect to all Loans and/or Commitments held by such Lender.

Name of Lender: City National Bank

by

/s/ Candice Callahan

Name: Candice Callahan

Title: SVP, Senior Relationship Manager

For any institution requiring a second signature line:

by

Name:

Title:

CONSENT TO THIRD AMENDMENT

CONSENT (this “**Consent**”) to Third Amendment to Credit Agreement, dated as of March 12, 2025 (the “**Amendment**”), by and among AIRSCULPT TECHNOLOGIES, INC., a Delaware corporation (“**Holdings**”), EBS INTERMEDIATE PARENT LLC, a Delaware limited liability company (“**Intermediate Holdings**”), EBS ENTERPRISES LLC, a Delaware limited liability company (the “**Borrower**”), the Lenders party hereto and SILICON VALLEY BANK, a division of FIRST-CITIZENS BANK & TRUST COMPANY (“**SVB**”), as Administrative Agent, Issuing Lender and Swingline Lender. Unless otherwise defined herein, terms defined in the Amendment and used herein shall have the meanings given to them in the Amendment.

Consent:

By executing the accompanying signature page, the undersigned Lender hereby irrevocably and unconditionally approves of and consents to the Amendment with respect to all Loans and/or Commitments held by such Lender.

<p>Name of Lender: Eastern Bank Corporation, Successor by Merger with Cambridge Trust Company</p> <p>by <u>/s/ Matt Dunbar</u> Name: Matt Dunbar Title: Vice President</p> <p>For any institution requiring a second signature line:</p> <p>by _____ Name: Title:</p>
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CONSENT TO THIRD AMENDMENT

CONSENT (this “**Consent**”) to Third Amendment to Credit Agreement, dated as of March 12, 2025 (the “**Amendment**”), by and among AIRSCULPT TECHNOLOGIES, INC., a Delaware corporation (“**Holdings**”), EBS INTERMEDIATE PARENT LLC, a Delaware limited liability company (“**Intermediate Holdings**”), EBS ENTERPRISES LLC, a Delaware limited liability company (the “**Borrower**”), the Lenders party hereto and SILICON VALLEY BANK, a division of FIRST-CITIZENS BANK & TRUST COMPANY (“**SVB**”), as Administrative Agent, Issuing Lender and Swingline Lender. Unless otherwise defined herein, terms defined in the Amendment and used herein shall have the meanings given to them in the Amendment.

Consent:

By executing the accompanying signature page, the undersigned Lender hereby irrevocably and unconditionally approves of and consents to the Amendment with respect to all Loans and/or Commitments held by such Lender.

Name of Lender: BankUnited, N.A.

by

/s/ Valentina Londono

Name: Valentina Londono

Title: Senior Vice President, Relationship Manager

For any institution requiring a second signature line:

by

Name:

Title:

Exhibit A
(See Attached)

CREDIT AGREEMENT

dated as of November 7, 2022,

among

AIRSCULPT TECHNOLOGIES, INC.,
as Holdings,

EBS INTERMEDIATE PARENT LLC,
as Intermediate Holdings,

EBS ENTERPRISES LLC,
as the Borrower,

THE SEVERAL LENDERS FROM TIME TO TIME PARTY HERETO,

and

SILICON VALLEY BANK,
as Administrative Agent, Issuing Lender and Swingline Lender

SILICON VALLEY BANK,
as Lead Arranger

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EXHIBITS

- Exhibit A: Form of Guarantee and Collateral Agreement
- Exhibit B: Form of Compliance Certificate
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- Exhibit E: Form of Assignment and Assumption
- Exhibit F-1 – F-4: Forms of U.S. Tax Compliance Certificate
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- Exhibit H-1: Form of Revolving Loan Note
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- Exhibit K: Form of Notice of Borrowing
- Exhibit L: Form of Notice of Conversion/Continuation
- Exhibit M: Form of Flow of Funds Agreement

CREDIT AGREEMENT

THIS CREDIT AGREEMENT (this “*Agreement*”), dated as of November 7, 2022, is entered into by and among **AIRSCULPT TECHNOLOGIES, INC.**, a Delaware corporation (“*Holdings*”), **EBS INTERMEDIATE PARENT LLC**, a Delaware limited liability company (“*Intermediate Holdings*”), **EBS ENTERPRISES LLC**, a Delaware limited liability company (the “*Borrower*”), the several banks and other financial institutions or entities from time to time party to this Agreement (each a “*Lender*” and, collectively, the “*Lenders*”), and **SILICON VALLEY BANK (“SVB”)** as administrative agent and collateral agent for the Lenders (in such capacity, the “*Administrative Agent*”), Issuing Lender and Swingline Lender.

RECITALS:

WHEREAS, on the Closing Date, the Borrower intends to (x) refinance existing indebtedness (the “*Refinancing*”) under the Existing Credit Facility and (y) pay fees, commissions and expenses in connection with the Refinancing (collectively, the “*Transactions*”);

WHEREAS, to fund the Transactions, the Borrower has requested that the Lenders extend credit under this Agreement in the form of (x) a term loan facility in an aggregate principal amount of \$85,000,000 and (y) a revolving loan facility in an aggregate principal amount of up to \$5,000,000; and

WHEREAS, the Lenders are willing to extend such credit to the Borrower on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, 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.

“**ABR**” means, for any day, a rate per annum equal to the highest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 0.50%, and (c) the Term SOFR for a one-month tenor in effect on such day (taking into account the Floor set forth in the definition of “Term SOFR”) plus 1.0%. Any change in the ABR due to a change in any of the Prime Rate, the Federal Funds Effective Rate or the Term SOFR, as the case may be, shall be effective as of the opening of business on the effective day of the change in such rates.

“**ABR Loans**” means Loans that bear interest based upon the ABR.

“**ABR Term SOFR Determination Day**” has the meaning specified within the definition of “Term SOFR”.

“**Account Debtor**” means any Person who may become obligated to any other Person under, with respect to, or on account of, an Account, chattel paper or general intangible (including a payment intangible) of such other Person. Unless otherwise stated, the term “Account Debtor,” when used herein, shall mean an Account Debtor in respect of an Account of the Borrower.

“**Accounts**” means all “accounts” (as defined in the UCC) of a Person, including, without limitation, accounts, accounts receivable, monies due or to become due and obligations in any form (whether arising in connection with contracts, contract rights, instruments, general intangibles, or chattel paper), in each case whether arising out of goods sold or services rendered or from any other transaction and whether or not earned by performance, now or hereafter in existence, and all documents of title or

other documents representing any of the foregoing, and all collateral security and guaranties of any kind, now or hereafter in existence, given by any Person with respect to any of the foregoing. Unless otherwise stated, the term “Account,” when used herein, shall mean an Account of the Borrower.

“*Administrative Agent*” has the meaning set forth in the preamble hereto.

“*Affected Lender*” has the meaning set forth in Section 2.23.

“*Affiliate*” means, 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, neither the Administrative Agent nor the Lenders shall be deemed Affiliates of the Loan Parties as a result of the exercise of their rights and remedies under the Loan Documents.

“*Agent Parties*” has the meaning set forth in Section 10.2(c)(ii).

“*Aggregate Exposure*” means, with respect to any Lender at any time, an amount equal to the sum of (a) the aggregate then unpaid principal amount of such Lender’s Term Loans, (b) the amount of such Lender’s Revolving Commitment then in effect or, if the Revolving Commitments have been terminated, the amount of such Lender’s Revolving Extensions of Credit then outstanding, and (c) without duplication of clause (b), the L/C Commitment of such Lender then in effect (as a sublimit of the Revolving Commitment of such Lender).

“*Aggregate Exposure Percentage*” means, with respect to any Lender at any time, the ratio (expressed as a percentage) of such Lender’s Aggregate Exposure at such time to the Aggregate Exposure of all Lenders at such time.

“*Agreement*” has the meaning set forth in the preamble hereto.

“*Applicable Margin*” means

(a) prior to the Covenant Relief Period Beginning Date, the applicable percentage per annum set forth below determined by reference to the Consolidated Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.2(b):

TERM LOANS

<u>Consolidated Leverage Ratio</u>	<u>Term SOFR Loans</u>	<u>ABR Loans</u>
< 1.00:1.00	2.50%	1.50%
≥ 1.00:1.00 but < 2.00:1.00	3.00%	2.00%
≥ 2.00:1.00	3.50%	2.50%

REVOLVING LOANS

<u>Consolidated Leverage Ratio</u>	<u>Term SOFR Loans</u>	<u>ABR Loans</u>
< 1.00:1.00	2.50%	1.50%
≥ 1.00:1.00 but < 2.00:1.00	3.00%	2.00%
≥ 2.00:1.00	3.50%	2.50%

SWINGLINE LOANS

<u>Consolidated Leverage Ratio</u>	<u>Swingline Loans</u>
< 1.00:1.00	1.50%
≥ 1.00:1.00 but < 2.00:1.00	2.00%
≥ 2.00:1.00	2.50%

LETTERS OF CREDIT

<u>Consolidated Leverage Ratio</u>	<u>Letters of Credit</u>
< 1.00:1.00	2.50%
≥ 1.00:1.00 but < 2.00:1.00	3.00%
≥ 2.00:1.00	3.50%

(b) during the Covenant Relief Period, the applicable percentage per annum set forth below determined by reference to the Consolidated Leverage Ratio as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.2(b):

TERM LOANS

<u>Consolidated Leverage Ratio</u>	<u>Term SOFR Loans</u>	<u>ABR Loans</u>
< 2.00:1.00	4.25%	3.25%
≥ 2.00:1.00 but < 3.00:1.00	4.50%	3.50%
≥ 3.00:1.00	4.75%	3.75%

REVOLVING LOANS

<u>Consolidated Leverage Ratio</u>	<u>Term SOFR Loans</u>	<u>ABR Loans</u>
< 2.00:1.00	4.25%	3.25%
≥ 2.00:1.00 but < 3.00:1.00	4.50%	3.50%
≥ 3.00:1.00	4.75%	3.75%

SWINGLINE LOANS

<u>Consolidated Leverage Ratio</u>	<u>Swingline Loans</u>
< 1.00:1.00	3.25%
≥ 1.00:1.00 but < 2.00:1.00	3.50%
≥ 2.00:1.00	3.75%

LETTERS OF CREDIT

<u>Consolidated Leverage Ratio</u>	<u>Letters of Credit</u>
< 2.00:1.00	4.25%
≥ 2.00:1.00 but < 3.00:1.00	4.50%
≥ 3.00:1.00	4.75%

Notwithstanding the foregoing, (a) until the delivery of the Compliance Certificate required to be delivered pursuant to Section 6.2(b) in connection with the delivery of the consolidated financial statements required to be delivered to the Administrative Agent pursuant to Section 6.1(b) in respect of the Fiscal Quarter of the Borrower ending March 31, 2025, the Applicable Margin shall be the rates corresponding to a Consolidated Leverage Ratio of 3.00:1.00 in the foregoing tables, (b) if the financial statements required by Section 6.1(b) and the related Compliance Certificate required by Section 6.2(b) are not delivered by the respective date required thereunder after the end of any related Fiscal Quarter of the Borrower, the Applicable Margin shall be the rates corresponding to the Consolidated Leverage Ratio of 3.00:1.00 in the foregoing table until such financial statements and Compliance Certificate are delivered, and (c) no reduction to the Applicable Margin shall become effective at any time when an Event of Default has occurred and is continuing.

If, as a result of any restatement of or other adjustment to the financial statements of the Loan Parties or for any other reason, the Administrative Agent reasonable determines that (x) the Consolidated Leverage Ratio as calculated by the Borrower as of any applicable date was inaccurate and (y) a proper calculation of the Consolidated Leverage Ratio would have resulted in different pricing for any period, then (i) if the proper calculation of the Consolidated Leverage Ratio would have resulted in higher pricing for such period, the Borrower shall automatically and retroactively be obligated to pay to the Administrative Agent, for the benefit of the applicable Lenders, promptly on demand by the Administrative Agent, an amount equal to the excess of the amount of interest and fees that should have been paid for such period over the amount of interest and fees actually paid for such period; and (ii) if the proper calculation of the Consolidated Leverage Ratio would have resulted in lower pricing for such period, neither the Administrative Agent nor any Lender shall have any obligation to repay any interest or fees to the Borrower.

“**Application**” means an application, in such form as the Issuing Lender may specify from time to time, requesting the Issuing Lender to issue a Letter of Credit.

“**Approved Fund**” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender, or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Asset Sale**” means any Disposition of property or series of related Dispositions of property (excluding any such Disposition of property permitted by clauses (a) through (p) of Section 7.5) that yields gross proceeds to any Group Member (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) in excess of \$500,000.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.6), and accepted by the Administrative Agent, in substantially the form of Exhibit E or any other form approved by the Administrative Agent.

“**Authorization**” has the meaning set forth in Section 4.26(b).

“**Available Revolving Commitment**” means at any time, an amount equal to (a) the Total Revolving Commitments in effect at such time minus (b) the aggregate undrawn amount of all outstanding Letters of Credit at such time, minus (c) the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time, minus (d) the aggregate principal balance of any Revolving Loans outstanding at such time; provided that for purposes of calculating any Lender’s Revolving Extensions of Credit for the purpose of determining such Lender’s Available Revolving Commitment pursuant to Section 2.9(b), the aggregate principal amount of Swingline Loans then outstanding shall be deemed to be zero.

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period (if applicable) pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” (if applicable) pursuant to Section 2.17(b)(iv).

“**Bankruptcy Code**” means Title 11 of the United States Code entitled “Bankruptcy.”

“**Benchmark**” means Term SOFR; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.17(b)(i).

“**Benchmark Replacement**” means, with respect to any Benchmark Transition Event, the first alternative set forth in the order below that can be determined by the Administrative Agent for the applicable Benchmark Replacement Date:

(a) the sum of (i) Daily Simple SOFR and (ii) the related Benchmark Replacement Adjustment; or

(b) the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities at such time and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of the then current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities at such time.

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark:

(c) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event,” the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(d) in the case of clause (c) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(e) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(f) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely; provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(g) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof)

announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Unavailability Period**” means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.17(b) and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.17(b).

“**Benefitted Lender**” has the meaning set forth in Section 10.7(a).

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership required by the Beneficial Ownership Regulation.

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230.

“**Blocked Person**” has the meaning set forth in Section 7.23.

“**Borrower**” has the meaning set forth in the preamble hereto.

“**Borrowing**” means a borrowing consisting of simultaneous Loans of the same Type and, in the case of a SOFR Loan, having the same Interest Period made by the Lenders.

“**Borrowing Date**” means any Business Day specified by the Borrower in a Notice of Borrowing as a date on which the Borrower requests the relevant Lenders to make Loans hereunder.

“**Business**” has the meaning set forth in Section 4.17(b).

“**Business Associate Agreement**” means each business associate agreement between a Loan Party and a PC Entity, in form and substance reasonably acceptable to the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time to the extent not prohibited by this Agreement.

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

“**Capital Lease Obligations**” means, 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**” means, 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 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), all voting and management rights and rights to become a partner, member or holder thereof, 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 Collateralize**” means to deposit in a Controlled Account or to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the Lenders, as collateral for L/C Exposure or obligations of the Lenders to fund participations in respect thereof, cash or deposit account balances or, if the Administrative Agent and the Issuing Lender shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and such Issuing Lender. “**Cash Collateral**” shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

“**Cash Equivalents**” means (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 year from the date of acquisition; (b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of six months or less from the date of acquisition issued by any Lender or 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 \$250,000,000; (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 six months from the date of acquisition; (d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government; (e) securities with maturities of one 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 months or less from the date of acquisition backed by standby letters of credit issued by any Lender or 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 (f) of this definition; or (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.

“**Cash Management Agreement**” has the meaning specified within the definition of “Cash Management Services”.

“**Cash Management Bank**” means any Person that, at the time it enters into a Cash Management Agreement, is a Lender or an Affiliate of a Lender, in its capacity as a party to such Cash Management Agreement.

“**Cash Management Services**” means cash management and other services provided to one or more of the Loan Parties by a Cash Management Bank which may include merchant services, direct deposit of payroll, business credit card, and check cashing services identified in such Cash Management Bank’s various cash management services or other similar agreements (each, a “**Cash Management Agreement**”).

“**Casualty Event**” means 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**” has the meaning set forth in Section 4.19(a).

“**Change of Control**” means (a) at any time, any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) beneficially and of record shall own and control, directly or indirectly, 35.0% or more on a fully diluted basis of the aggregate outstanding voting or economic rights of the outstanding Capital Stock of Holdings, (b) Holdings shall cease to directly own and control 100% of the voting and economic rights associated with all classes of Capital Stock of Intermediate

Holdings, free and clear of all Liens (except as expressly permitted by [Section 7.3](#)), (c) Intermediate Holdings shall cease to directly own and control 100% of the voting and economic rights associated with all classes of Capital Stock of the Borrower, free and clear of all Liens (except as expressly permitted by [Section 7.3](#)), (d) the Borrower shall cease to own and control 100% of the voting and economic rights associated with all classes of Capital Stock of each of its Subsidiaries which are Loan Parties, free and clear of all Liens (except as expressly permitted by [Section 7.3](#)), (e) the sale, transfer or other disposition of all or substantially all of the assets of any Loan Party (other than pursuant to a transaction expressly permitted under this Agreement), or (f) a “change of control” shall occur in any other document governing Indebtedness (including any Subordinated Debt Document) of a Group Member.

“**Closing Date**” means the date on which all of the conditions precedent set forth in [Section 5.1](#) are satisfied or waived by the Administrative Agent and, as applicable, the Lenders or the Required Lenders.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

“**Collateral**” means all property of the Loan Parties, now owned or hereafter acquired, upon which a Lien is purported to be created by any Security Document. For the avoidance of doubt, no Excluded Asset (as such term is defined in the Guarantee and Collateral Agreement) shall constitute “Collateral.”

“**Collateral Assignment of PC Documents**” means a collateral assignment of the PC Documents in respect of the PC Documents of a given PC Entity, in form and substance reasonably satisfactory to the Administrative Agent, which Collateral Assignment of PC Documents shall be made by a Loan Party in favor of the Administrative Agent, and acknowledged by the applicable PC Entity.

“**Collateral Information Certificate**” means the Collateral Information Certificate to be executed and delivered by the Borrower and each other Loan Party pursuant to [Section 5.1](#), substantially in the form of [Exhibit J](#).

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

“**Collection Account**” means the account established by the Borrower at the Administrative Agent or any of its Affiliates, which is located in the U.S..

“**Commitment**” means, as to any Lender, the sum of its Term Commitment and its Revolving Commitment.

“**Commitment Fee Rate**” means initially, 0.30% per annum; provided that commencing on the date on which the Administrative Agent receives copies of the consolidated financial statements of Holdings and its Subsidiaries in respect of the Fiscal Quarter of the Borrower ending March 31, 2023, together with a Compliance Certificate in respect thereof as contemplated by [Section 6.2\(b\)](#), “**Commitment Fee Rate**” shall mean the rate per annum set forth under the relevant column heading below:

<u>Consolidated Leverage Ratio</u>	<u>Commitment Fee Rate</u>
< 1.00:1.00	0.25%
≥ 1.00:1.00 but < 2.00:1.00	0.30%
≥ 2.00:1.00	0.35%

“**Commodity Exchange Act**” means the Commodity Exchange Act (7 U.S.C. Section 1 *et seq.*), as amended from time to time, and any successor statute.

“**Communications**” has the meaning set forth in Section 10.2(c)(ii).

“**Competitor**” means any Person engaged in (a) the practice of body fat removal or transfer procedures or (b) the manufacturing or development of products involved in the removal or transfer of body fat.

“**Compliance Certificate**” means a certificate duly executed by a Responsible Officer substantially in the form of Exhibit B.

“**Confidential Healthcare Information**” has the meaning assigned to it in Section 2.17.

“**Conforming Changes**” means, with respect to either the use or administration of any Benchmark or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “ABR,” the definition of “Business Day,” the definition of “U.S. Government Securities Business Day,” the definition of “Interest Period” (if applicable) or any similar or analogous definition (or the addition of a concept of “interest period”), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 2.21 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

“**Connection Income Taxes**” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“**Consolidated Capital Expenditures**” means, for any period, with respect to Holdings and its Subsidiaries, the aggregate of all expenditures (whether paid in cash or other consideration or accrued as a liability and including that portion of Capital Lease Obligations which is capitalized on the consolidated balance sheet of Holdings) by such Group Members during such period for the acquisition or leasing (pursuant to a finance lease) of fixed or capital assets or additions to equipment (including replacements, capitalized repairs and improvements during such period) that, in conformity with GAAP, are included in “additions to property, plant or equipment” or comparable items reflected in the consolidated statement of cash flows of Holdings; provided that “**Consolidated Capital Expenditures**” shall not include (a) expenditures in respect of normal replacements and maintenance which are properly charged to current operations, (b) expenditures made in connection with the replacement, substitution or restoration of assets to the extent financed (i) from insurance proceeds paid on account of the loss of or damage to the assets being replaced or restored or (ii) with awards of compensation arising from the taking by eminent domain or condemnation of the assets being replaced, or (c) expenditures made as a tenant as leasehold improvements during such period to the extent actually reimbursed by the landlord during such period.

“**Consolidated EBITDA**” means, with respect to Holdings and its Subsidiaries for any period,

(a) the sum, without duplication, of the amounts for such period of

(i) Consolidated Net Income, plus

(ii) Consolidated Interest Expense, plus

(iii) provisions for taxes based on income, plus

(iv) total depreciation expense, plus

(v) total amortization expense, plus

(vi) costs and expenses relating to (A) the Transactions incurred on or prior to the Closing Date, (B) the Third Amendment Transactions incurred on or prior to the Third Amendment Effective Date and (C) the issuance of any Capital Stock by Holdings within six months after the Third Amendment Effective Date, plus

(vii) restructuring and integration expenses, plus

(viii) non-cash extraordinary or nonrecurring losses or charges, plus

(ix) non-cash charges for employee compensation plans, plus

(x) reported operating losses or expenses incurred with respect to de novo treatment facilities during the six-month period immediately prior to the opening thereof; provided, that (A) the amount added back to Consolidated Net Income pursuant to this clause (x) shall not exceed, in the case of any individual de novo treatment facility, an amount in excess of \$250,000 in the aggregate during the term of this Agreement, and (B) the aggregate amount added back to Consolidated Net Income pursuant to this clause (x) for any Test Period shall not exceed 5.0% of Consolidated EBITDA (as calculated without giving effect to any addbacks under clauses (vi), (vii), (x) and (xi) hereof) for such period, plus

(xi) the amount of (A) any net-after tax unusual or non-recurring costs, expenses or charges actually and directly incurred in cash by the Loan Parties and (B) any pro forma "run rate" cost savings, operating expense reductions, cost synergies and other adjustments (including the amount of any synergies, business optimization expenses, restructuring charges or integration charges directly attributable to the undertaking or implementation of any strategic initiatives, severance, recruiting, relocation, closing and consolidation of facilities, reserves, consulting, cost-savings initiatives and contract termination costs), in each case, that are projected (a) by the Loan Parties in good faith to be realized within 12 months after the consummation of a Permitted Acquisition, a permitted Disposition or any other non-ordinary course transaction permitted under the Loan Documents, (b) by the restructuring as outlined in the Second Amendment Updated Lender Model in relation to the Second Amendment, or (c) by the restructuring and pro forma cost savings as outlined in the Third Amendment Updated Lender Model in relation to the Third Amendment, in each case giving rise to such adjustments from actions taken or committed to be taken within such period (calculated on a Pro Forma Basis as though such cost savings, operational expense reductions, cost synergies and other adjustments were realized on the first day of such period for which the Consolidated EBITDA is being determined as if such cost savings, operational expense reductions, cost synergies and other adjustments were realized during the entirety of the period), net of the amount of actual benefits realized during such period from such actions; provided, that: (1) any such amounts added back under this clause (xi) are identifiable, factually supportable, reasonably expected to have a continuing impact and directly related to such transaction; (2) each compliance certificate delivered by an appropriate Responsible Officer of the Borrower shall provide reasonable detail (and attach back-up documentation and calculations) evidencing the amounts to be added back under this clause (xi); (3) the aggregate amount of cost synergies added back pursuant to this clause (xi) for any Test Period shall not exceed 10.0% of Consolidated EBITDA (as calculated without giving effect to any addbacks under clauses (vi), (vii), (x) and (xi) hereof); and (4) the aggregate amount added back pursuant to this clause (xi) for any Test Period (together with any amounts added back pursuant to clause (x) above) shall not exceed 20.0% of Consolidated EBITDA (as calculated without giving effect to any addbacks under clauses (vi), (vii), (x) and (xi) hereof), plus

(xii) other non-cash items reducing Consolidated Net Income (excluding any such non-cash item to the extent that it represents an accrual or reserve for potential cash items in any future period or amortization of a prepaid cash item that was paid in a prior period) approved by the Administrative Agent in writing as an 'add back' to Consolidated EBITDA, plus

(xiii) any amounts paid by Holdings and its Subsidiaries pursuant to Section 6.20(c), minus

(b) the sum, without duplication of the amounts for such period of

(i) other non-cash items increasing Consolidated Net Income for such period (excluding any such non-cash item to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period), plus

(ii) interest income;

provided that Consolidated EBITDA for any Test Period shall be determined on a Pro Forma Basis to give effect to any Permitted Acquisitions or any disposition of any business or assets consummated during such period, in each case as if such transaction occurred on the first day of such period and in accordance with Regulation S-X promulgated by the SEC.

Notwithstanding anything to the contrary, Consolidated EBITDA of Holdings and its Subsidiaries on a consolidated basis shall be deemed to be \$15,226,000 for the Fiscal Quarter ended on June 30, 2022, \$9,788,000 for the Fiscal Quarter ended on March 31, 2022, \$10,211,000 for the Fiscal Quarter ended on December 31, 2021 and \$12,116,000 for the Fiscal Quarter ended on September 30, 2021.

"Consolidated Fixed Charge Coverage Ratio" means, with respect to Holdings and its Subsidiaries for any period, the ratio of (a) Consolidated EBITDA for such Test Period minus (i) the portion of taxes based on income actually paid in cash (net of any cash refunds received) during those Fiscal Quarters in which the determination date occurs, minus (ii) Consolidated Capital Expenditures and other capitalized items paid in cash and, in each case, not financed during such period, minus (iii) investments or loans to shareholders or affiliates, cash dividends, management fees, distributions, stock repurchases and other restricted payments for such period to (b) Consolidated Fixed Charges for such period; provided, that such calculation shall exclude \$1,400,000 attributable to tax payments paid in connection with dividend payments that were made prior to the Closing Date.

"Consolidated Fixed Charges" means, with respect to Holdings and its Subsidiaries for any period ending on any determination date, the sum (without duplication) of (a) Consolidated Interest Expense for such period, plus (b) scheduled principal payments made during those Fiscal Quarters of the Borrower ending during the Fiscal Year in which the determination date occurs on account of principal of Indebtedness of Holdings and its Subsidiaries (including scheduled principal payments in respect of the Term Loans), provided that scheduled principal payments for the first four fiscal quarters ending after the Closing Date shall be annualized and calculated as follows: for the (A) first Fiscal Quarter following the Closing Date, the actual amount for such quarter times four, (B) second Fiscal Quarter following the Closing Date, the actual amount for such Fiscal Quarter plus the actual amount for the first Fiscal Quarter following the Closing Date times two, and (C) for the third Fiscal Quarter following the Closing Date, the actual amount for such Fiscal Quarter plus the actual amount for the first Fiscal Quarter following the Closing Date plus the actual amount for the second Fiscal Quarter following the Closing Date times four-thirds (4/3). For purposes of calculating Consolidated Fixed Charges for each Test Period that includes December 31, 2022, the Borrower shall be deemed to have made an amortization payment on December 31, 2022 in the amount of \$531,250.

"Consolidated Interest Expense" means, for any period, total cash interest expense (including that attributable to Capital Lease Obligations) of Holdings and its Subsidiaries for such period with respect to all outstanding Indebtedness of such Persons (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Agreements in respect of interest rates to the extent such net costs are allocable to such period in accordance with GAAP).

“Consolidated Leverage Ratio” means, as at the last day of any period, the ratio of (a) (i) Consolidated Total Indebtedness on such day minus (ii) Unrestricted Cash in an amount not to exceed \$20,000,000, to (b) Consolidated EBITDA for such Test Period; provided that for purposes of this definition, Consolidated EBITDA for any Test Period shall be determined on a Pro Forma Basis to give effect to any Permitted Acquisitions or any disposition of any business or assets consummated during such period, in each case as if such transaction occurred on the first day of such period and in accordance with Regulation S-X promulgated by the SEC.

“Consolidated Net Income” means, for any period, the consolidated net income (or loss) Holdings and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded from the calculation of “Consolidated Net Income” (a) the income (or deficit) of any such Person accrued prior to the date it becomes a Subsidiary of Holdings or is merged into or consolidated with Holdings or one of its Subsidiaries, (b) the income (or deficit) of any such Person (other than a Subsidiary of Holdings) in which Holdings or one of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by Holdings or such Subsidiary in the form of dividends or similar distributions, (c) the undistributed earnings of any Subsidiary of Holdings to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary and (d) the revenue of any PC Entity that is not a Qualified PC Entity.

“Consolidated Net Leverage Ratio” means, as at the last day of any period, the ratio of (a) (i) Consolidated Outstanding Indebtedness on such day minus (ii) Unrestricted Cash in an amount not to exceed \$20,000,000, to (b) Consolidated EBITDA for such Test Period; provided that for purposes of this definition, (x) Consolidated EBITDA for any Test Period shall be determined on a Pro Forma Basis to give effect to any Permitted Acquisitions or any disposition of any business or assets consummated during such period, in each case as if such transaction occurred on the first day of such period and in accordance with Regulation S-X promulgated by the SEC and (y) Consolidated Outstanding Indebtedness for any Test Period shall be determined on a Pro Forma Basis to give effect to any mandatory prepayment required under this Agreement during such period.

“Consolidated Outstanding Indebtedness” means, at any date, the aggregate principal amount of all Indebtedness for borrowed money of Holdings and its Subsidiaries outstanding at such date, determined on a consolidated basis in accordance with GAAP, including drawn Letters of Credit for which the drawing thereunder has not been reimbursed, and all purchase money Liens and Capital Lease Obligations, but excluding any contingent liabilities or liabilities referred to in clause (g) of the definition of “Indebtedness”.

“Consolidated Total Indebtedness” means, at any date, the aggregate principal amount of all Indebtedness for borrowed money of Holdings and its Subsidiaries at such date, determined on a consolidated basis in accordance with GAAP, including drawn Letters of Credit for which the drawing thereunder has not been reimbursed, and all purchase money Liens and Capital Lease Obligations, but excluding any contingent liabilities or liabilities referred to in clause (g) of the definition of “Indebtedness”.

“Consulting Agreements” shall mean each consulting agreement (or similar agreement) between a Loan Party and the consultant party thereto, in form and substance reasonably acceptable to Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time to the extent not prohibited by this Agreement.

“Continuity Agreements” means each continuity agreement, membership interest transfer restriction agreement, stock transfer restriction agreement or other similar agreement between the applicable Loan Party, the applicable PC Entity and the applicable equity holder(s) of such PC Entity, in form and substance reasonably satisfactory to Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time to the extent not prohibited by this Agreement.

“**Contractual Obligation**” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “**Controlled**” has a meaning correlative thereto.

“**Control Agreement**” means any account control agreement 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 Administrative Agent pursuant to which the Administrative Agent obtains control (within the meaning of the UCC or any other applicable law) over such Deposit Account or Securities Account.

“**Controlled Account**” means each Deposit Account and Securities Account that is subject to a Control Agreement in form and substance satisfactory to the Administrative Agent and the Issuing Lender.

“**Covenant Relief Period**” means the period beginning on the first Business Day after the Test Period ending on or about June 30, 2025 (such date, the “**Covenant Relief Period Beginning Date**”) and ending on the Maturity Date.

“**Covenant Relief Period Beginning Date**” has the meaning set forth in the definition of “Covenant Relief Period”.

“**Credit Extension**” means (i) the making of a Term Loan, Revolving Loan or Swingline Loan or (ii) any L/C Advance.

“**Daily Simple SOFR**” means, for any day (a “**SOFR Rate Day**”), a rate per annum equal to the greater of (a) SOFR for the day (such day a “**SOFR Determination Day**”) that is five U.S. Government Securities Business Days prior to (i) if such SOFR Rate Day is a U.S. Government Securities Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a U.S. Government Securities Business Day, the U.S. Government Securities Business Day immediately preceding such SOFR Rate Day, in each case, as such SOFR is published by the SOFR Administrator on the SOFR Administrator’s Website, and (b) the Floor. If by 5:00 p.m. (New York City time) on the second (2nd) U.S. Government Securities Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator’s Website and a Benchmark Replacement Date with respect to the Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first preceding U.S. Government Securities Business Day for which such SOFR was published on the SOFR Administrator’s Website; provided that any SOFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three consecutive SOFR Rate Days; provided, further, that if the Daily Simple SOFR as so determined shall ever be less than the Floor, then Daily Simple SOFR shall be deemed to be the Floor. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Borrower.

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

“**Declined Amount**” has the meaning set forth in Section 2.12(c).

“**Default**” means 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**” has the meaning set forth in Section 2.15(c).

“Defaulting Lender” means, subject to Section 2.24(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s reasonable determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the Issuing Lender, the Swingline Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swingline Loans) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent, the Issuing Lender or the Swingline Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s reasonable determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.24(b)) upon delivery of written notice of such determination to the Borrower, the Issuing Lender, the Swingline Lender and each Lender.

“Deficit Funding Agreement” means each deficit funding loan agreement (or similar agreement) between a Loan Party and a PC Entity, in form and substance reasonably acceptable to the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time to the extent not prohibited by this Agreement, pursuant to which security agreement such PC Entity shall grant a security interest in favor of such Loan Party to secure the payment and performance of such PC Entity’s obligations to such Loan Party.

“Deposit Account” means any “deposit account” as defined in the UCC with such additions to such term as may hereafter be made.

“Deposit Account Control Agreement” means any Control Agreement entered into by the Administrative Agent, a Loan Party and a financial institution holding a Deposit Account of such Loan Party pursuant to which the Administrative Agent is granted “control” (for purposes of the UCC) over such Deposit Account.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“Determination Date” has the meaning set forth in the definition of “Pro Forma Basis”.

“Discharge of Obligations” means, subject to Section 10.8, the satisfaction of the Obligations (including all such Obligations relating to Cash Management Services) by the payment in full, in cash (or, as applicable, cash collateralization in accordance with the terms hereof) of the principal of and interest on or other liabilities relating to each Loan and any previously provided Cash Management Services, all

fees and all other expenses or amounts payable under any Loan Document (other than inchoate indemnification obligations and any other obligations which pursuant to the terms of any Loan Document specifically survive repayment of the Loans for which no claim has been made), and other Obligations under or in respect of Specified Swap Agreements and Cash Management Services, to the extent (a) no default or termination event shall have occurred and be continuing thereunder, (b) any such Obligations in respect of Specified Swap Agreements have, if required by any applicable Qualified Counterparties, been cash collateralized in accordance with the terms hereof, (c) no Letter of Credit shall be outstanding (or, as applicable, each outstanding and undrawn Letter of Credit has been Cash Collateralized in accordance with the terms hereof), (d) no Obligations in respect of any Cash Management Services are outstanding (or, as applicable, all such outstanding Obligations in respect of Cash Management Services have been cash collateralized in accordance with the terms hereof), and (e) the aggregate Commitments of the Lenders are terminated.

“**Disposition**” means, with respect to any property (including, without limitation, Capital Stock of Holdings or any of its Subsidiaries), any sale, lease, Sale Leaseback Transaction, assignment, conveyance, transfer, encumbrance or other disposition thereof and any issuance of Capital Stock of Holdings or any of its Subsidiaries. The term “**Dispose**” shall have a correlative meaning.

“**Disqualified Institution**” means (a) any person specifically identified by name in writing to the Administrative Agent by the Borrower on or prior to the Closing Date, (b) any person that is periodically designated in writing to the Administrative Agent by the Borrower after the Closing Date, subject to the Administrative Agent’s consent (not to be unreasonably withheld, delayed or conditioned) and (c) any Competitor of the Loan Parties or Affiliate of such Competitor; provided, that any designation permitted by the foregoing shall not apply retroactively to any prior assignment to any Lender.

“**Division**” means, in reference to any Person which is an entity, the division of such Person into two or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including as contemplated under Section 18-217 of the Delaware Limited Liability Company Act, or any analogous action taken pursuant to any other applicable Requirements of Law.

“**Dollars**” and “**\$**” means dollars in lawful currency of the United States.

“**Domestic Subsidiary**” means any Subsidiary of Holdings organized under the laws of any jurisdiction within the United States.

“**Effective Yield**” means, as to any Indebtedness, the effective yield applicable thereto calculated by the Administrative Agent in consultation with the Borrower in a manner consistent with generally accepted financial practices, taking into account (a) the applicable interest rate margins (which interest rate margins, if subject to a pricing grid, shall be determined based on the applicable pricing level in effect on such date of determination), (b) the applicable benchmark rate (disregarding the ABR or any rate based on a central bank rate to the extent any other benchmark rate is available for Indebtedness denominated in such currency) giving effect to any credit spread adjustments to benchmark rates and interest rate floors (subject to the proviso set forth below), (c) any amendment to the relevant interest rate margins, credit spread adjustments to benchmark rates and interest rate floors prior to the applicable date of determination and (d) original issue discount and upfront or similar fees (based on an assumed four-year average life to maturity or lesser remaining average life to maturity), but excluding (i) any prepayment premium, arrangement, commitment, structuring, underwriting, ticking, unused line fees and/or amendment fees (regardless of whether any such fees are paid to or shared in whole or in part with any lender) and (ii) any other fee that is not paid directly by the Borrower generally to all relevant lenders ratably; provided, however, that (A) to the extent that the Term SOFR (with an Interest Period of three months) or the ABR (in each case, without giving effect to any floor specified in the definition thereof) is less than any floor applicable to the Indebtedness in respect of which the Effective Yield is being calculated on the date on which the Effective Yield is determined, the amount of the resulting difference will be deemed added to the interest rate margin applicable to the relevant Indebtedness for purposes of calculating the Effective Yield and (B) to the extent that the Term SOFR (for a period of three months) or the ABR (in each case, without giving effect to any floor specified in the definition thereof) is greater than any applicable floor on the date on which the Effective Yield is determined, the floor will be disregarded in calculating the Effective Yield.

“**Eligible Assignee**” means any Person that meets the requirements to be an assignee under Section 10.6(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 10.6(b)(iii)).

“**Environmental Laws**” means any and all foreign, Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, 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 health (as it relates to exposure to Materials of Environmental Concern) or the environment, as now or may at any time hereafter be in effect.

“**Environmental Liability**” means 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, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

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

“**ERISA Affiliate**” means each business or entity which is, or within the last six years was, a member of a “controlled group of corporations,” under “common control” or an “affiliated service group” with any Loan Party within the meaning of Section 414(b), (c) or (m) of the Code, required to be aggregated with any Loan Party under Section 414(o) of the Code, or is, or within the last six years was, under “common control” with any Loan Party, within the meaning of Section 4001(a)(14) of ERISA.

“**ERISA Event**” means 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; (c) a withdrawal by any Loan Party or any ERISA Affiliate thereof 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 Loan Party or any ERISA Affiliate thereof 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 therefore, or the receipt by any Loan Party or any ERISA Affiliate thereof of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 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 Multiemployer Plan; (f) the imposition of liability on any Loan Party or any ERISA Affiliate thereof 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 Loan Party or any ERISA Affiliate thereof to make any required contribution to a Pension Plan, or the failure to meet the minimum funding standard of Section 412 of the Code with respect to any Pension Plan (whether or not waived in accordance with Section 412(c) of the Code) 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 considered an at-risk plan or a plan in endangered to critical status within the meaning of Sections 430, 431 and 432 of the Code or Sections 303, 304 and 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 or Multiemployer Plan; (j) the imposition of any liability under Title I or Title IV of ERISA, other than PBGC premiums due but not delinquent under Section 4007 of ERISA, upon any Loan Party or any ERISA Affiliate thereof; (k) an application for a funding waiver under Section 303 of ERISA or an extension of any amortization period pursuant to Section 412 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 for which any Loan Party or any Subsidiary thereof may be directly or indirectly liable; (m) [reserved]; (n) [reserved]; (o) the assertion of a material claim (other than routine claims for benefits) against any Plan or the assets thereof, or against any Loan Party or any Subsidiary thereof in connection with any such Plan; (p) 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; (q) 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 Loan Party or any ERISA Affiliate thereof, in either case pursuant to Title I or IV, including Section 302(f) or 303(k) of ERISA or to Section 401(a)(29) or 430(k) of the Code; or (r) the establishment or amendment by any Loan Party or any Subsidiary thereof of any “welfare plan,” as such term is defined in Section 3(1) of ERISA, that provides post-employment welfare benefits in a manner that would increase the liability of any Loan Party.

“**ERISA Funding Rules**” means 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.

“**Erroneous Payment**” has the meaning assigned to it in Section 9.15(a).

“**Erroneous Payment Deficiency Assignment**” has the meaning assigned to it in Section 9.15(d).

“**Erroneous Payment Impacted Class**” has the meaning assigned to it in Section 9.15(d).

“**Erroneous Payment Return Deficiency**” has the meaning assigned to it in Section 9.15(d).

“**Erroneous Payment Subrogation Rights**” has the meaning assigned to it in Section 9.15(d).

“**Event of Default**” means any of the events specified in Section 8.1; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time and any successor statute.

“**Excluded Account**” means any Deposit Account or Securities Account (a) the sole purpose of which is for funding payroll, workers’ compensation claims, 401(k) benefits, healthcare benefits, retirement benefits or other employee benefits, or which is a withholding Tax or fiduciary account or similar account, (b) the sole purpose of which is for funding escrow arrangements or holding funds owned by persons other than a Group Member in connection with a transaction permitted hereunder, (c) that constitute third party administration accounts, solely to the extent such accounts contain amounts related to the administration of payment and collections for physicians (other than management fees related to such administration), (d) the sole purpose of which is to receive Medicare funds from medical services payors for the benefit of PC Entities, (e) the sole purpose of which is to hold cash pledged as collateral to secure obligations in respect of letters of credit permitted under this Agreement and (f) that, when combined with all other accounts (other than Deposit Accounts and Securities Accounts described in clauses (a) through (e) above) over which the Administrative Agent does not have “control” (within the meanings of Section 8-106 and 9-106 of the UCC), contains less than \$400,000 in aggregate at all times. For the avoidance of doubt, other than Deposit Accounts and Securities Accounts described in clause (f) above, the Excluded Accounts shall not constitute Collateral.

“**Excluded Assets**” has the meaning set forth in the Guarantee and Collateral Agreement.

“**Excluded Swap Obligations**” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee Obligation of such Guarantor with respect to, or the grant by such Guarantor of a Lien to secure, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such

Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time such Guarantee Obligation of such Guarantor, or the grant by such Guarantor of such Lien, becomes effective with respect to such Swap Obligation. If such a Swap Obligation arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to swaps for which such Guarantee Obligation or Lien is or becomes excluded in accordance with the first sentence of this definition.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any 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 a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.23) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.20, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.20(f) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Agent" means First Eagle Alternative Capital Agent, Inc., in its capacity as administrative agent and collateral agent for the lenders party to the Existing Credit Facility.

"Existing Credit Facility" means that certain credit agreement dated as of October 2, 2018 (as amended by that certain First Amendment to Credit Agreement, dated as of February 10, 2020, as further amended by that certain Second Amendment and Limited Waiver to Credit Agreement, dated as of April 3, 2020, as further amended by that certain Third Amendment to Credit Agreement, dated as of February 19, 2021, as further amended by that certain Fourth Amendment and Limited Waiver to Credit Agreement, dated as of the May 5, 2021, as further amended by that certain Fifth Amendment to Credit Agreement, dated as of October 25, 2021, as further amended by that certain Sixth Amendment to Credit Agreement, dated as of August 10, 2022, and as further amended, restated, supplemented or otherwise modified from time to time), by and among Intermediate Holdings, the Borrower, the guarantors party thereto, the lenders party thereto and the Existing Agent.

"Facility" means each of (a) the Term Facility and (b) the Revolving Facility.

"FASB" means the Financial Accounting Standards Board.

"FATCA" means 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.

"Federal Funds Effective Rate" means, for any day, the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day of such transactions received by SVB from three federal funds brokers of recognized standing selected by it.

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

“**Fee Letter**” means the amended and restated fee letter agreement dated November 7, 2022, between Holdings and the Administrative Agent.

“**Financial Advisor**” means any of M-III Partners LP, Berkeley Research Group, LLC or Ankura Consulting Group, LLC or any other financial advisor acceptable to the Administrative Agent and the Required Lenders.

“**First Amendment**” means that certain First Amendment and Limited Waiver to Credit Agreement, dated as of March 9, 2023, by and among Holdings, Intermediate Holdings, the Borrower, Lenders party thereto and the Administrative Agent.

“**First Tier Foreign Subsidiary**” means, at any date of determination with respect to a Loan Party, each Foreign Subsidiary in which such Loan Party owns directly more than 50.0%, in the aggregate, of the Voting Stock of such Foreign Subsidiary.

“**Fiscal Quarter**” means a fiscal quarter of any Fiscal Year.

“**Fiscal Year**” means the fiscal year of the Borrower ending December 31 of each calendar year.

“**Floor**” means a rate of interest equal to 0.00% per annum.

“**Flow of Funds Agreement**” means the letter agreement between the Borrower and the Administrative Agent regarding the disbursement of Loan proceeds on the Closing Date, the funding and the payment of the Administrative Agent’s reasonable and documented expenses and the reasonable and documented expenses of the Administrative Agent’s counsel, and such other matters as may be agreed to by the Borrower and the Administrative Agent, in substantially the form of Exhibit M.

“**Foreign Lender**” means (a) if the Borrower is a U.S. Person, a Lender that is not a U.S. Person, and (b) if the Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which the Borrower is resident for tax purposes.

“**Foreign Subsidiary**” means any Subsidiary of Holdings that is not a Domestic Subsidiary.

“**Freely Assignable**” means, with respect to any PC Document, such contract or agreement if (i) it does not contain express restrictions or conditions (including, without limitation, the payment of any fee) on the assignment, sale, disposition or other transfer by the applicable Loan Party thereto (and any of its successors and assigns) of, or the granting of any Lien by the applicable Loan Party (and its successors and assigns) in, its rights, title and interest thereunder, to any other Person (including any such transfer as a result of the exercise of any such Lien therein, whether by foreclosure or otherwise), (ii) under which, without obtaining the consent of any Person, no default will occur, no penalty will accrue and no violation of breach of any terms thereof will result or arise due to (x) any such granting of a Lien in such rights, title and interest of the applicable Loan Party (or any of its successors or assigns) or upon any such assignment, sale, disposition or other transfer, or (y) any Change of Control or change in ownership of the applicable Loan Party, and (iii) otherwise, under applicable law, it is freely assignable to third parties (or Affiliates) by the applicable Loan Party (and its successors or assigns).

“**Fronting Exposure**” means, at any time there is a Defaulting Lender, as applicable, (a) with respect to the Issuing Lender, such Defaulting Lender’s L/C Percentage of the outstanding L/C Exposure other than L/C Exposure as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof, and (b) with respect to the Swingline Lender, such Defaulting Lender’s Revolving Percentage of outstanding Swingline Loans made by the Swingline Lender other than Swingline Loans as to which such Defaulting Lender’s participation obligation has been reallocated to other Lenders.

“**Fund**” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

“**Fund Guarantee**” means that certain Limited Guarantee, dated as of the Third Amendment Effective Date, among the Fund Guarantors, as guarantors thereunder and the Administrative Agent.

“**Fund Guarantor**” means each of Vesey Street Capital Partners HealthCare Fund, L.P. and Vesey Street Capital Partners HealthCare Fund-A, L.P., and “**Fund Guarantors**” means both Vesey Street Capital Partners HealthCare Fund, L.P. and Vesey Street Capital Partners HealthCare Fund-A, L.P.

“**Funding Office**” means the Revolving Loan Funding Office or the Term Loan Funding Office, as the context requires.

“**GAAP**” means generally accepted accounting principles in the United States as in effect from time to time, except that for purposes of Section 7.1, GAAP shall be determined on the basis of such principles in effect on the date hereof and consistent with those used in the preparation of the most recent audited financial statements referred to in Section 4.1(b). In the event that any “**Accounting Change**” (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in this Agreement, then the Borrower and the Administrative Agent 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, the Administrative Agent and the Required Lenders, all financial covenants, standards and terms in this Agreement shall continue to be calculated or 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 FASB or, if applicable, the SEC, or the adoption of IFRS.

“**Governmental Approval**” means 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**” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state 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 (including any supra-national bodies such as the European Union or the European Central Bank), and any group or body charged with setting accounting or regulatory capital rules or standards (including the FASB, the Bank for International Settlements, the Basel Committee on Banking Supervision and any successor or similar authority to any of the foregoing).

“**Group Members**” means the collective reference to Holdings and its Subsidiaries, excluding any Immaterial Subsidiary.

“**Guarantee and Collateral Agreement**” means the Guarantee and Collateral Agreement to be executed and delivered by the Borrower and each Guarantor, substantially in the form of Exhibit A.

“**Guarantee Obligation**” means, 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**” means a collective reference to Holdings, Intermediate Holdings and each Subsidiary Guarantor.

“**Health Care Laws**” means, to the extent applicable, (i) all federal and state fraud and abuse laws, including but not limited to the federal Anti-Kickback Statute (42 U.S.C. §1320a-7b(b) and any similar state laws), any state physician self-referral and anti-kickback prohibitions, and the regulations promulgated pursuant to such statutes; (ii) the Health Insurance Portability and Accountability Act of 1996 (Pub. L. No. 104-191) and the regulations promulgated under such acts; (iii) the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 301 et seq., as amended, and the rules and regulations issued by the Federal Food and Drug Administration; (iv) the Controlled Substances Act, as amended, and the rules and regulations issued thereunder by the U.S. Drug Enforcement Administration; (v) all state health care laws or regulations, including those related to the corporate practice of medicine and fee-splitting; (vi) all health care licensure, permitting or certification laws and regulations; (vii) all health care laws or regulations regulating billing for physician services and (viii) all health care licensure, permitting or certification laws, including those related to medical professional licensing, state supervision requirements and scope of practice laws; each of (i) through (viii) as may be amended from time to time.

“**HIPAA**” means all laws governing or regulating the privacy or security of patient, medical or individual healthcare information, including the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder, all as amended from time to time, including the standards for the privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, Subparts A and E, the standards for the protection of Electronic Protected Health Information set forth at 45 C.F.R. Part 160 and 45 C.F.R. Part 164, Subpart A and Subpart C, the standards for transactions and code sets used in electronic transactions at 45 C.F.R. Part 160, Subpart A and Part 162, and the standards for Breach Notification for Unsecured Protected Health Information at 45 C.F.R. Part 164, Subpart D, all as amended from time to time.

“**Holdings**” has the meaning set forth in the preamble hereto.

“**IFRS**” means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements delivered under or referred to herein.

“**Illegality Notice**” has the meaning set forth in Section 2.19.

“**Immaterial Subsidiary**” means, at any date of determination, any Subsidiary of any Loan Party designated as such by such Loan Party in writing and which as of such date (a) holds assets representing 2.5% or less the consolidated total assets of Holdings and its Subsidiaries as of such date (determined in accordance with GAAP), (b) which has generated less than 2.5% of the consolidated total revenues of Holdings and its Subsidiaries determined in accordance with GAAP for the Test Period ending on the last day of the most recent period for which financial statements have been delivered after the Closing Date pursuant to Section 6.1(b); provided that all Subsidiaries that are individually “**Immaterial Subsidiaries**” shall not have aggregate consolidated total assets that would represent 5.0% or more of the consolidated total assets of Holdings and its Subsidiaries as of such date or have generated 5.0% or more of the consolidated total revenues of Holdings and its Subsidiaries for such Test Period, in each case determined in accordance with GAAP, and (c) which owns no material Intellectual Property.

“Incremental Commitment” means any commitment made by a lender to provide all or any portion of any Incremental Facility or Incremental Loan.

“Incremental Facilities” has the meaning assigned to such term in Section 2.26.

“Incremental Facility Amendment” means an amendment to this Agreement executed by (a) the Borrower and (b) each Lender that agrees to provide all or any portion of the Incremental Facility being incurred pursuant thereto and in accordance with Section 2.26, and acknowledged by the Administrative Agent (it being understood that failure by the Administrative Agent to acknowledge such amendment shall not affect the effectiveness thereof, except to the extent adversely affecting the rights and duties of, or any fees or other amounts payable to, such Administrative Agent).

“Incremental Lender” has the meaning assigned to such term in Section 2.26.

“Incremental Loans” has the meaning assigned to such term in Section 2.26.

“Incremental Revolving Facility” has the meaning assigned to such term in Section 2.26.

“Incremental Revolving Facility Lender” means, with respect to any Incremental Revolving Facility, each Revolving Lender providing any portion of such Incremental Revolving Facility.

“Incremental Revolving Loans” has the meaning assigned to such term in Section 2.26.

“Incremental Term Facility” has the meaning assigned to such term in Section 2.26.

“Incremental Term Loans” has the meaning assigned to such term in Section 2.26.

“Incurred” has the meaning set forth in the definition of “Pro Forma Basis”.

“Indebtedness” means, 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 (other than current trade payables incurred in the ordinary course of such Person’s business and earn-outs not constituting debt in accordance with GAAP), (c) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (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 Guarantee Obligations of such Person in respect of obligations of the kind referred to in clauses (a) through (f) above, (h) all obligations of the kind referred to in clauses (a) through (g) 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, and (i) the net obligations of such Person in respect of Swap Agreements. 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.

“Indemnified Taxes” means (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 clause (a), Other Taxes.

“Indemnitee” has the meaning set forth in Section 10.5(b).

“Information” has the meaning set forth in Section 10.17.

“Insolvency Proceeding” means (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 U.S. Federal, state or foreign law, including any Debtor Relief Law.

“Intangible Assets” means assets that are considered to be intangible assets under GAAP, including customer lists, goodwill, computer software, copyrights, trade names, trademarks, patents, franchises, licenses, unamortized deferred charges, unamortized debt discount and capitalized research and development costs.

“Intellectual Property” means the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under United States, multinational or foreign laws or otherwise, including copyrights, copyright licenses, patents, patent licenses, trademarks, trademark licenses, technology, know-how and processes, and all rights to sue at law or in equity for any infringement or other impairment thereof, including the right to receive all proceeds and damages therefrom.

“Intellectual Property Security Agreement” means an intellectual property security agreement entered into between a Loan Party and the Administrative Agent pursuant to the terms of the Guarantee and Collateral Agreement, together with each other intellectual property security agreement and supplement thereto delivered pursuant to Section 6.12, in each case as amended, restated, supplemented or otherwise modified from time to time.

“Interest Payment Date” means (a) as to any ABR Loan (including any Swingline Loan), the first Business Day of each calendar month to occur while such Loan is outstanding and the final maturity date of such Loan, (b) as to any SOFR Loan, (i) having an Interest Period of three months or less, the last Business Day of such Interest Period and the final maturity date of such Loan and (ii) having an Interest Period longer than three months, each Business Day that is three months after the first day of such Interest Period, the last Business Day of such Interest Period and the final maturity date of such Loan, and (c) as to any Loan, the date of any repayment or prepayment made in respect thereof.

“Interest Period” means, as to any SOFR Loan, (a) initially, the period commencing on the borrowing or conversion date, as the case may be, with respect to such SOFR Loan and ending on the numerically corresponding day in the month that is one, three or six months thereafter, as selected by the Borrower in its Notice of Borrowing or Notice of Conversion/Continuation, as the case may be, given with respect thereto; and (b) thereafter, each period commencing on the last day of the next preceding Interest Period applicable to such SOFR Loan and ending on the numerically corresponding day in the month that is one, three or six months thereafter, as selected by the Borrower in a Notice of Conversion/Continuation delivered to the Administrative Agent not later than 10:00 A.M. on the date that is three U.S. Government Securities Business Days prior to the last day of the then current Interest Period with respect thereto; provided that all of the foregoing provisions relating to Interest Periods are subject to the following:

(i) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month in which event such Interest Period shall end on the immediately preceding Business Day;

(ii) the Borrower may not select an Interest Period under a particular Facility that would extend beyond the Maturity Date;

(iii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month;

(iv) no tenor that has been removed from this definition pursuant to Section 2.17(b) shall be available for specification in any Notice of Borrowing or Notice of Conversion/Continuation.

“Interest Rate Agreement” means any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedging agreement or other similar agreement or arrangement, each of which is (a) for the purpose of hedging the interest rate exposure associated with Holdings’ and its Subsidiaries’ operations and (b) not for speculative purposes.

“Intermediate Holdings” has the meaning set forth in the preamble hereto.

“Inventory” means 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” has the meaning set forth in Section 7.8.

“IRS” means the Internal Revenue Service, or any successor thereto.

“ISP” means, with respect to any Letter of Credit, the “International Standby Practices 1998” published by the Institute of International Banking Law & Practice (or such later version thereof as may be in effect at the time of issuance).

“Issuing Lender” means, as the context may require, (a) SVB or any Affiliate thereof, in its capacity as issuer of any Letter of Credit, and (b) any other Lender that may become an Issuing Lender pursuant to Section 3.11 or 3.12, with respect to Letters of Credit issued by such Lender. The Issuing Lender may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Lender or other financial institutions, in which case the term “Issuing Lender” shall include any such Affiliate or other financial institution with respect to Letters of Credit issued by such Affiliate or other financial institution.

“Issuing Lender Fees” has the meaning set forth in Section 3.3(a).

“L/C Advance” means each L/C Lender’s funding of its participation in any L/C Disbursement in accordance with its L/C Percentage of the L/C Commitment.

“L/C Commitment” means, as to any L/C Lender, the obligation of such L/C Lender, if any, to purchase an undivided interest in the Issuing Lenders’ obligations and rights under and in respect of each Letter of Credit (including to make payments with respect to draws made under any Letter of Credit pursuant to Section 3.5(b)) in an aggregate principal amount not to exceed the amount set forth under the heading “L/C Commitment” opposite such L/C Lender’s name on Schedule 1.1 or in the Assignment and Assumption pursuant to which such L/C Lender becomes a party hereto, as the same may be changed from time to time pursuant to the terms hereof. The L/C Commitment is a sublimit of the Revolving Commitment and the aggregate amount of the L/C Commitments shall not exceed the amount of the Total L/C Commitments at any time.

“L/C Disbursements” means a payment or disbursement made by the Issuing Lender pursuant to a Letter of Credit.

“L/C Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time, and (b) the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time. The L/C Exposure of any L/C Lender at any time shall equal its L/C Percentage of the aggregate L/C Exposure at such time.

“**L/C Facility**” means the L/C Commitments and the Credit Extensions made thereunder.

“**L/C Fee Payment Date**” has the meaning set forth in Section 3.3(a).

“**L/C Lender**” means a Lender with an L/C Commitment.

“**L/C Percentage**” means as to any L/C Lender at any time, the percentage of the Total L/C Commitments represented by such L/C Lender’s L/C Commitment, as such percentage may be adjusted as provided in Section 2.23.

“**L/C-Related Documents**” means, collectively, each Letter of Credit, all applications for any Letter of Credit (and applications for the amendment of any Letter of Credit) submitted by the Borrower to the Issuing Lender and any other document, agreement and instrument relating to any Letter of Credit, including any of the Issuing Lender’s standard form documents for letter of credit issuances.

“**Lead Arranger**” means SVB, in its capacity as sole lead arranger and bookrunner hereunder.

“**Lenders**” has the meaning set forth in the preamble hereto; provided that unless the context otherwise requires, each reference herein to the Lenders shall be deemed to include the Issuing Lender and the Swingline Lender.

“**Letter of Credit**” has the meaning set forth in Section 3.1(a).

“**Letter of Credit Availability Period**” means the period from and including the Closing Date to but excluding the Letter of Credit Maturity Date.

“**Letter of Credit Fees**” has the meaning set forth in Section 3.3(a).

“**Letter of Credit Fronting Fees**” has the meaning set forth in Section 3.3(a).

“**Letter of Credit Maturity Date**” means the date occurring five days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

“**License Agreement**” means each license agreement (or similar agreement) between a Loan Party and a PC Entity, in form and substance reasonably acceptable to the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time to the extent not prohibited by this Agreement.

“**Licensed Personnel**” has the meaning set forth in Section 4.26(e).

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

“**Liquidity**” means, at any time, the sum of (a) the aggregate amount of Unrestricted Cash and (b) the Available Revolving Commitment at such time.

“**Loan**” means any loan made or maintained by any Lender pursuant to this Agreement.

“**Loan Documents**” means this Agreement, the First Amendment, the Second Amendment, the Third Amendment, the Fund Guarantee, each Security Document, each Note, the Fee Letter, the Collateral Assignment of PC Documents, the Flow of Funds Agreement, each Assignment and Assumption, each Compliance Certificate, each Notice of Borrowing, each Notice of Conversion/Continuation, the Solvency Certificate, the Collateral Information Certificate, each L/C-Related Document, and any agreement creating or perfecting rights in cash collateral pursuant to the provisions of

Section 3.10, or otherwise, and any amendment, waiver, supplement or other modification to any of the foregoing.

“**Loan Parties**” means each Group Member that is a party to a Loan Document, as a Borrower or a Guarantor.

“**Majority Revolving Lenders**” means, at any time, (a) if only one Revolving Lender holds the Total Revolving Commitments at such time, such Revolving Lender, both before and after the termination of such Revolving Commitment; and (b) if more than one Revolving Lender holds the Total Revolving Commitment, at least two Revolving Lenders who hold more than 50.0% of the Total Revolving Commitments (including, without duplication, the L/C Commitments) or, at any time after the termination of the Revolving Commitments when such Revolving Commitments were held by more than one Revolving Lender, at least two Revolving Lenders who hold more than 50.0% of the Total Revolving Extensions of Credit then outstanding (including, without duplication, any L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time)); provided that the Revolving Commitments of, and the portion of the Revolving Loans and participations in L/C Exposure and Swingline Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Majority Revolving Lenders; provided, further, that a Lender and its Affiliates shall be deemed one Lender.

“**Majority Term Lenders**” means, at any time, (a) if only one Term Lender holds the Term Loan, such Term Lender; and (b) if more than one Term Lender holds the Term Loan, at least two Term Lenders who hold more than 50.0% of the principal sum of all Term Loans outstanding; provided that the portion of the Term Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Majority Term Lenders; provided, further, that a Lender and its Affiliates shall be deemed one Lender.

“**Management Services**” means any and all non-clinical management and administrative services including, without limitation, billing and collection services, space, equipment or staffing provided by a Loan Party to a PC Entity.

“**Management Services Agreements**” means each management agreement (or similar agreement) between a Loan Party and a PC Entity pursuant to which the applicable Loan Party provides Management Services and such Loan Party is paid for such Management Services, in each case, in form and substance reasonably satisfactory to the Administrative Agent, as the same may be amended, restated, supplemented or otherwise modified from time to time to the extent not prohibited by this Agreement.

“**Mandatory Prepayment Date**” has the meaning set forth in Section 2.12(c).

“**Material Adverse Effect**” means (a) a material adverse change in, or a material adverse effect on, the operations, business, assets, properties, liabilities (actual or contingent) or financial condition of Holdings and its Subsidiaries, taken as a whole; (b) a material impairment of the rights and remedies of the Administrative Agent or any Lender under any Loan Document, or of the ability of the Borrower or any Loan Party to perform its respective obligations under any Loan Document to which it is a party; or (c) a material adverse effect upon 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**” means, with respect to any Loan Party, each of the PC Documents.

“**Material Domestic Subsidiary**” means any Material Subsidiary which is also a Domestic Subsidiary.

“**Material Subsidiary**” means any Subsidiary that is not an Immaterial Subsidiary.

“**Materials of Environmental Concern**” means any substance, material or waste that is defined, regulated, governed or otherwise characterized under any Environmental Law as hazardous or toxic or as a pollutant or contaminant (or by words of similar meaning and regulatory effect), any petroleum or

petroleum products, asbestos, polychlorinated biphenyls, urea-formaldehyde insulation, molds or fungus, and radioactivity, radiofrequency radiation at levels known to be hazardous to human health and safety.

“**Maturity Date**” means May 11, 2027.

“**Medicaid**” means that government-sponsored entitlement program under Title XIX, P.L. 89-97 of the Social Security Act, which provides federal grants to states for medical assistance based on specific eligibility criteria, as set forth on Section 1396, et seq. of Title 42 of the United States Code.

“**Medicare**” means that government-sponsored insurance program under Title XVIII, P.L. 89-97, of the Social Security Act, which provides for a health insurance system for eligible elderly and disabled individuals, as set forth at Section 1395, et seq. of Title 42 of the United States Code.

“**Minority Lender**” has the meaning set forth in Section 10.1(b).

“**Monthly Liquidity Report**” has the meaning set forth in Section 6.2(i).

“**Monthly Liquidity Testing Period**” means (a) commencing on the Third Amendment Effective Date and the first Business Day of any Test Period during which the Consolidated Net Leverage Ratio (as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.2(b)) is equal to or greater than 2.50:1.00, and (b) terminating on the first date that each of the following conditions is satisfied: (i) no Default or Event of Default under this Agreement shall have occurred and be continuing and (ii) the Consolidated Net Leverage Ratio (as set forth in the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.2(b)) is less than 2.50:1.00.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Mortgaged Properties**” means the real properties as to which, pursuant to Section 6.12(b) or otherwise, the Administrative Agent, for the benefit of the Secured Parties, shall be granted a Lien pursuant to the Mortgages.

“**Mortgages**” means 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 Administrative Agent, in each case, as such documents may be amended, amended and restated, supplemented or otherwise modified, renewed or replaced from time to time and in form and substance reasonably acceptable to the Administrative Agent.

“**Multiemployer Plan**” means a “multiemployer plan” (within the meaning of Section 3(37) of ERISA) to which any Loan Party or any ERISA Affiliate thereof makes, is making, or is obligated or has ever been obligated to make, contributions.

“**Net Cash Proceeds**” means (a) in connection with any Asset Sale or any Recovery Event, 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, 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 Asset Sale or Recovery Event (other than any Lien pursuant to a Security Document) and other customary costs, fees and expenses actually incurred in connection therewith 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 Guarantor in connection with such Asset Sale or Recovery Event in respect of the taxable year that such Asset Sale or Recovery Event is consummated (b) in connection with any issuance or sale of Capital Stock or any incurrence of Indebtedness, the cash proceeds received from such issuance or incurrence, net of attorneys’ fees, investment banking fees, accountants’ fees, underwriting discounts and commissions and other customary costs, fees and expenses actually incurred in connection therewith.

“**Non-Consenting Lender**” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all affected Lenders in accordance with the terms of Section 10.1 and (b) has been approved by the Required Lenders.

“**Non-Defaulting Lender**” means at any time, each Lender that is not a Defaulting Lender at such time.

“**Note**” means a Term Loan Note, a Revolving Loan Note or a Swingline Loan Note.

“**Notice of Borrowing**” means a notice substantially in the form of Exhibit K.

“**Notice of Conversion/Continuation**” means a notice substantially in the form of Exhibit L.

“**Obligations**” means (a) the unpaid principal of and interest on (including interest accruing after the maturity of the 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 in such proceeding) the Loans and all other obligations and liabilities of the Loan Parties (including guarantee obligations) to the Administrative Agent, the Issuing Lender, any other Lender, any applicable Cash Management Bank, and any Qualified Counterparty party to a Specified Swap Agreement, 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 (including, for the avoidance of doubt, any Cash Management Agreement), the Letters of Credit, any Specified Swap Agreement, Erroneous Payment Subrogation Rights or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, payment obligations, fees, indemnities, costs, expenses (including all reasonable and documented out-of-pocket fees, charges and disbursements of counsel to the Administrative Agent, the Issuing Lender, any other Lender, any applicable Cash Management Bank, to the extent that any applicable Cash Management Agreement requires the reimbursement by any applicable Group Member of any such expenses), and any Qualified Counterparty party to a Specified Swap Agreement that are required to be paid by any Loan Party pursuant any Loan Document, Cash Management Agreement or otherwise, and (b) any obligations of any other Group Member arising in connection with any Cash Managements Agreement. For the avoidance of doubt, the Obligations shall not include (i) any obligations arising under any warrants or other equity instruments issued by any Loan Party to any Lender, or (ii) solely with respect to any Guarantor that is not a Qualified ECP Guarantor, any Excluded Swap Obligations of such Guarantor.

“**OFAC**” means the Office of Foreign Assets Control of the United States Department of the Treasury and any successor thereto.

“**Operating Documents**” means for any Person as of any date, such Person’s constitutional documents, formation documents and/or certificate of incorporation (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 bylaws 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**” means with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient 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 any Loan or Loan Document).

“**Other Taxes**” means 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 (other than an assignment made pursuant to [Section 2.23](#)).

“**Participant**” has the meaning set forth in [Section 10.6\(d\)](#).

“**Participant Register**” has the meaning set forth in [Section 10.6\(d\)](#).

“**Patriot Act**” means 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.

“**Payment Recipient**” has the meaning assigned to it in [Section 9.15\(a\)](#).

“**Payoff Letter**” means a letter, in form and substance satisfactory to the Administrative Agent, dated as of a date prior to the Closing Date and executed by each of the Existing Agent and the Borrower.

“**PBGC**” means the Pension Benefit Guaranty Corporation, or any successor thereto.

“**PC Documents**” means the Management Services Agreements, the Deficit Funding Agreements, the Continuity Agreements, the License Agreements, the Consulting Agreements and, as applicable, the Business Associate Agreements.

“**PC Entity**” means any Person (other than a natural person) providing professional medical services if and to the extent applicable law provides that the direct or indirect ownership of such Person shall be limited to appropriately licensed professionals (natural persons) who are duly licensed or otherwise legally authorized to render the specific professional services for which the Person was organized and which Person is party to a Management Services Agreement that is in full force and effect.

“**Pension Plan**” means an employee benefit plan (as defined in Section 3(3) of ERISA) other than a Multiemployer Plan (a) that is or was at any time maintained or sponsored by any Loan Party or any ERISA Affiliate thereof or to which any Loan Party or any ERISA Affiliate thereof has ever made, or was obligated to make, contributions, and (b) that is or was subject to Section 412 of the Code, Section 302 of ERISA or Title IV of ERISA.

“**Periodic Term SOFR Determination Day**” has the meaning set forth in the definition of “Term SOFR”.

“**Permitted Acquisition**” has the meaning set forth in [Section 7.8\(n\)](#).

“**Permitted Earnouts**” means unsecured obligations of Holdings or any Subsidiary arising from a Permitted Acquisition which (a) are payable based on the achievement of specified financial results over time and (b) are subject to subordination terms (or a subordination agreement in favor of the Administrative Agent and Lenders) reasonably satisfactory to the Administrative Agent; provided, that (i) no Default or Event of Default shall have occurred and be continuing at the time of such payment and (ii) immediately after giving effect to such payment, (A) Holdings and its Subsidiaries shall maintain Liquidity of at least \$10,000,000, (B) Holdings and its Subsidiaries shall be in compliance with each of the covenants set forth in [Section 7.1](#) and (C) the Consolidated Leverage Ratio of Holdings and its Subsidiaries shall not exceed 1.60:1.00.

“**Person**” means any natural Person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“**Plan**” means (a) an employee benefit plan (as defined in Section 3(3) of ERISA) other than a Multiemployer Plan which is or was at any time maintained or sponsored by any Loan Party or any Subsidiary thereof or to which any Loan Party or any Subsidiary thereof has ever made, or was obligated to make, contributions, (b) a Pension Plan, or (c) a Qualified Plan.

“**Platform**” means is any of Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system.

“**Pledged Stock**” has the meaning set forth in the Guarantee and Collateral Agreement.

“**Prime Rate**” means the rate of interest per annum from time to time published in the money rates section of the Wall Street Journal or any successor publication thereto as the “prime rate” then in effect; provided that if such rate of interest, as set forth from time to time in the money rates section of the Wall Street Journal, becomes unavailable for any reason as determined by the Administrative Agent, the “Prime Rate” shall mean the rate of interest per annum announced by SVB as its prime rate in effect at its principal office in the State of California (such SVB announced Prime Rate not being intended to be the lowest rate of interest charged by SVB in connection with extensions of credit to debtors).

“**Pro Forma Basis**” means, with respect to any calculation or determination for any period, in making such calculation or determination on the specified date of determination (the “**Determination Date**”):

(a) pro forma effect will be given to any Indebtedness incurred by Holdings or any of its Subsidiaries (including by assumption of then outstanding Indebtedness or by a Person becoming a Subsidiary (“**Incurred**”) after the beginning of the applicable period and on or before the Determination Date to the extent the Indebtedness is outstanding or is to be Incurred on the Determination Date, as if such Indebtedness had been Incurred on the first day of such period;

(b) pro forma calculations of interest on Indebtedness bearing a floating interest rate will be made as if the rate in effect on the Determination Date (taking into account any Swap Agreement applicable to the Indebtedness) had been the applicable rate for the entire reference period;

(c) Consolidated Fixed Charges related to any Indebtedness no longer outstanding or to be repaid or redeemed on the Determination Date, except for Consolidated Interest Expense accrued during the reference period under a revolving credit to the extent of the commitment thereunder (or under any successor revolving credit) in effect on the Determination Date, will be excluded as if such Indebtedness was no longer outstanding or was repaid or redeemed on the first day of such period;

(d) pro forma effect will be given to: (A) the acquisition or disposition of companies, divisions or lines of businesses by Holdings and its Subsidiaries, including any acquisition or disposition of a company, division or line of business since the beginning of the reference period by a Person that became a Subsidiary after the beginning of the applicable period; and (B) the discontinuation of any discontinued operations but, in the case of Consolidated Fixed Charges, only to the extent that the obligations giving rise to Consolidated Fixed Charges will not be obligations of Holdings or any of its Subsidiaries following the Determination Date; in each case of clauses (A) and (B), that have occurred since the beginning of the applicable period and before the Determination Date as if such events had occurred, and, in the case of any disposition, the proceeds thereof applied, on the first day of such period. To the extent that pro forma effect is to be given to an acquisition or disposition of a company, division or line of business, the pro forma calculation will be calculated in good faith by a responsible financial or accounting officer of the Borrower in accordance with Regulation S-X under the Securities Act based upon the most recent four full Fiscal Quarters for which the relevant financial information is available.

“**Pro Forma Financial Statements**” means balance sheets, income statements and cash flow statements prepared by Holdings and its Subsidiaries that give effect (as if such events had occurred on such date) to (i) the consummation of the Refinancing, (ii) the Loans to be made on the Closing Date and the use of proceeds thereof and (iii) the payment of fees and expenses in connection with the foregoing, in each case prepared for (y) the most recently ended Fiscal Quarter as if such transactions had occurred on such date and (z) on a quarterly basis through the first full Fiscal Year after the Closing Date or subsequent Borrowing Date, as applicable, and on an annual basis for each Fiscal Year thereafter through December 31, 2026, in each case demonstrating pro forma compliance with the covenants set forth in Section 7.1.

“**Projections**” has the meaning set forth in Section 6.2(c).

“**Properties**” has the meaning set forth in Section 4.17(a).

“**Qualified Cash**” means any cash on the balance sheet of Holdings and its Subsidiaries as of the last day of the prior Fiscal Quarter (a) to be used for any announced or scheduled dividend payments to be made by Holdings and its Subsidiaries or (b) that was used by Holdings and its Subsidiaries to make dividend payments since the last day of the prior Fiscal Quarter.

“**Qualified Counterparty**” means, with respect to any Specified Swap Agreement, any counterparty thereto that is a Lender or an Affiliate of a Lender or, at the time such Specified Swap Agreement was entered into or as of the Closing Date, was the Administrative Agent or a Lender or an Affiliate of the Administrative Agent or a Lender.

“**Qualified ECP Guarantor**” means, in respect of any Swap Obligation, (a) each Guarantor that has total assets exceeding \$10,000,000 at the time the relevant Guarantee Obligation of such Guarantor provided in respect of, or the Lien granted by such Guarantor to secure, such Swap Obligation (or guaranty thereof) becomes effective with respect to such Swap Obligation, and (b) any other Guarantor that (i) constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder, or (ii) can cause another Person (including, for the avoidance of doubt, any other Guarantor not then constituting a “Qualified ECP Guarantor”) to qualify as an “eligible contract participant” at such time by entering into a “keepwell, support, or other agreement” as contemplated by Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“**Qualified PC Entity**” shall mean a PC Entity (a) which pursuant to the PC Documents between such PC Entity and the applicable Loan Party, all of the collected revenue of such PC Entity is deposited in a Deposit Account of a Loan Party subject to a Control Agreement or a Deposit Account of such PC Entity and such collected revenue is swept and deposited into a Deposit Account of a Loan Party which is subject to a Control Agreement within one Business Day of the date on which such revenue is deposited in an account of such PC Entity, free and clear of all Liens except as permitted by Section 7.3 and Liens arising under any Deficit Funding Agreement, (b) with respect to which (i) no material breach or default shall have occurred and be continuing under the PC Documents to which such PC Entity is a party which such breach or default has not been cured within 30 days of Holdings or the Borrower obtaining knowledge of such breach or default, and (ii) no Loan Party shall have waived any provision of the Continuity Agreement (if applicable) to which such PC Entity is a party in a manner adverse to the Lenders, (c) with respect to which the Management Services Agreement to which such PC Entity is a party has not been terminated, (d) which does not have any Lien on any of its assets or property (other than any Lien imposed by law consisting of a landlord’s lien or banker’s lien in the ordinary course of business, any Lien arising under the Deficit Funding Agreement to which such PC Entity is a party and any other Liens securing obligations which do not exceed (x) \$100,000 for any individual PC Entity and (y) \$250,000 in the aggregate for all PC Entities), and (e) which, to the extent permitted under applicable law, is party to a Continuity Agreement (unless, based on the advice of experienced healthcare counsel, the applicable Loan Party determines after consultation with the Administrative Agent that such Continuity Agreement is not legally advisable) and a Deficit Funding Agreement with a Loan Party, in each case, that is in full force and effect.

“**Qualified Plan**” means an employee benefit plan (as defined in Section 3(3) of ERISA) other than a Multiemployer Plan (a) that is or was at any time maintained or sponsored by any Loan Party or any ERISA Affiliate thereof or to which any Loan Party or any ERISA Affiliate thereof has ever made, or was ever obligated to make, contributions, and (b) that is intended to be tax-qualified under Section 401(a) of the Code.

“**Recipient**” means the (a) Administrative Agent, (b) any Lender or (c) any Issuing Lender, as applicable.

“**Recovery Event**” means any settlement of or payment in respect of any property or casualty insurance claim or any condemnation proceeding relating to any asset of any Group Member.

“**Refinancing**” has the meaning set forth in the recitals hereto.

“**Refunded Swingline Loans**” has the meaning set forth in Section 2.7(b).

“**Register**” has the meaning set forth in Section 10.6(c).

“**Regulation D**” means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“**Regulation T**” means Regulation T of the Federal Reserve Board as in effect from time to time.

“**Regulation U**” means Regulation U of the Federal Reserve Board as in effect from time to time.

“**Regulation X**” means Regulation X of the Federal Reserve Board as in effect from time to time.

“**Reinvestment Deferred Amount**” means, with respect to any Reinvestment Event, the aggregate Net Cash Proceeds received by any Loan Party in connection therewith that are not applied to prepay the Loans or other amounts pursuant to Section 2.12(c) as a result of the delivery of a Reinvestment Notice.

“**Reinvestment Event**” means any Asset Sale or Recovery Event in respect of which the Borrower has delivered a Reinvestment Notice.

“**Reinvestment Notice**” means a written notice executed by a Responsible Officer stating that no Event of Default has occurred and that the Borrower or Holdings (directly or indirectly through a Guarantor) intends and expects to use all or a specified portion of the Net Cash Proceeds of an Asset Sale or Recovery Event to acquire or repair assets useful in its business.

“**Reinvestment Prepayment Amount**” means, with respect to any Reinvestment Event, the Reinvestment Deferred Amount relating thereto less any amount expended prior to the relevant Reinvestment Prepayment Date to acquire or repair assets useful in the Borrower’s business.

“**Reinvestment Prepayment Date**” means, with respect to any Reinvestment Event, the earlier of (a) the date occurring six months after such Reinvestment Event (or two hundred seventy (270) days if a Group Member enters into a legally binding commitment to reinvest such amounts within one hundred eighty (180) days after such Reinvestment Event), and (b) the date on which the Borrower shall have determined not to, or shall have otherwise ceased to, acquire or repair assets useful in the Borrower’s business with all or any portion of the relevant Reinvestment Deferred Amount.

“**Related Parties**” means, 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**” means 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.

“**Replacement Lender**” has the meaning set forth in Section 2.23.

“**Required Lenders**” means, at any time, (a) if only one Lender holds the outstanding Term Loans and the Revolving Commitments, such Lender; and (b) if more than one Lender holds the outstanding Term Loans and Revolving Commitments, then at least two Lenders who hold more than 50.0% of the sum of (i) the aggregate unpaid principal amount of the Term Loans then outstanding, and (ii) the Total Revolving Commitments (including, without duplication, the L/C Commitments) then in effect or, if the Revolving Commitments have been terminated, the Total Revolving Extensions of Credit then outstanding; provided that for the purposes of this clause (b), the outstanding principal amount of the Term Loans held by any Defaulting Lender and the Revolving Commitments of, and the portion of the Revolving Loans and participations in L/C Exposure and Swingline Loans held or deemed held by, any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders; provided, further, that a Lender and its Affiliates shall be deemed one Lender.

“Requirement of Law” means, as to any Person, the Operating Documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority (including, for the avoidance of doubt, the Basel Committee on Banking Supervision and any successor thereto or similar authority or successor thereto), in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Responsible Officer” means, with respect to any Loan Party, the chief executive officer, president, vice president, chief financial officer, treasurer, controller or comptroller of the Borrower, but in any event, with respect to financial matters, the chief financial officer, treasurer, controller or comptroller of such Loan Party.

“Restricted Payments” has the meaning set forth in Section 7.6.

“Revolving Commitment” means, as to any Lender, the obligation of such Lender, if any, to make Revolving Loans and participate in Swingline Loans and Letters of Credit in an aggregate principal amount not to exceed the amount set forth under the heading “Revolving Commitment” opposite such Lender’s name on Schedule 1.1 or in the Assignment and Assumption pursuant to which such Lender became a party hereto, as the same may be changed from time to time pursuant to the terms hereof (including in connection with assignments permitted hereunder). The original amount of the Total Revolving Commitments is \$5,000,000. The L/C Commitment and the Swingline Commitment are each sublimits of the Total Revolving Commitments.

“Revolving Commitment Period” means the period from and including the Closing Date to the Maturity Date.

“Revolving Extensions of Credit” means, as to any Revolving Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Loans held by such Lender then outstanding, plus (b) such Lender’s L/C Percentage of the aggregate undrawn amount of all outstanding Letters of Credit at such time, plus (c) such Lender’s L/C Percentage of the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans at such time, plus (d) such Lender’s Revolving Percentage of the aggregate principal amount of Swingline Loans then outstanding.

“Revolving Facility” means the Revolving Commitments and the Credit Extensions made thereunder.

“Revolving Lender” means each Lender that has a Revolving Commitment or that holds Revolving Loans.

“Revolving Loan Conversion” has the meaning set forth in Section 3.5(b).

“Revolving Loan Funding Office” means the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

“Revolving Loan Note” means a promissory note in the form of Exhibit H-1, as it may be amended, supplemented or otherwise modified from time to time.

“Revolving Loans” has the meaning set forth in Section 2.4(a).

“Revolving Percentage” means, as to any Revolving Lender at any time, the percentage which such Lender’s Revolving Commitment then constitutes of the Total Revolving Commitments or, at any time after the Revolving Commitments of all Lenders shall have expired or terminated, the percentage which the aggregate principal amount of such Lender’s Revolving Loans then outstanding constitutes of the aggregate principal amount of all Revolving Loans then outstanding; provided that in the event that the Revolving Loans are paid in full prior to the reduction to zero of the Total Revolving Commitments,

the Revolving Percentages shall be determined in a manner designed to ensure that the other outstanding Revolving Extensions of Credit shall be held by the Revolving Lenders on a comparable basis.

“**S&P**” means Standard & Poor’s Ratings Services.

“**Sale Leaseback Transaction**” means any arrangement with any Person or Persons, whereby in contemporaneous or substantially contemporaneous transactions a Loan Party 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 all or a material portion of such property.

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

“**SEC**” means the Securities and Exchange Commission, any successor thereto and any analogous Governmental Authority.

“**Second Amendment**” means that certain Second Amendment to Credit Agreement, dated as of September 13, 2024, by and among Holdings, Intermediate Holdings, the Borrower, Lenders party thereto and the Administrative Agent.

“**Second Amendment Effective Date**” has the meaning assigned to such term in the Second Amendment.

“**Second Amendment Transactions**” has the meaning assigned to such term in the Second Amendment.

“**Second Amendment Updated Lender Model**” means the model titled “2024 3-Year Model” received by the Administrative Agent on August 23, 2024.

“**Secured Parties**” means the collective reference to the Administrative Agent, the Lenders (including any Issuing Lender in its capacity as Issuing Lender and any Swingline Lender in its capacity as Swingline Lender), any Cash Management Bank (in its or their respective capacities as providers of Cash Management Services), and any Qualified Counterparties.

“**Securities Account**” means any “securities account” as defined in the UCC with such additions to such term as may hereafter be made.

“**Securities Account Control Agreement**” means any Control Agreement entered into by the Administrative Agent, a Loan Party and a securities intermediary holding a Securities Account of such Loan Party pursuant to which the Administrative Agent is granted “control” (for purposes of the UCC) over such Securities Account.

“**Securities Act**” means the Securities Act of 1933, as amended from time to time and any successor statute.

“**Security Documents**” means the collective reference to (a) the Guarantee and Collateral Agreement, (b) the Mortgages (if any), (c) each Intellectual Property Security Agreement, (d) any Collateral Assignment of PC Documents, (e) each Deposit Account Control Agreement, (f) each Securities Account Control Agreement, (g) all other security documents hereafter delivered to the Administrative Agent granting a Lien on any property of any Person to secure the Obligations of any Loan Party arising under any Loan Document, (h) all other security documents hereafter delivered to any applicable Cash Management Bank granting a Lien on any property of any Person to secure the Obligations of any Group Member arising under any Cash Management 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.

“**Social Security Act**” means the Social Security Act of 1965.

“**SOFR**” means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

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

“**SOFR Administrator’s Website**” means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

“**SOFR Borrowing**” means as to any Borrowing, the SOFR Loans comprising such Borrowing.

“**SOFR Determination Day**” has the meaning set forth in the definition of “Daily Simple SOFR”.

“**SOFR Loan**” means as to any Borrowing, the Loans bearing interest at a rate based on Term SOFR comprising such Borrowing other than pursuant to clause (c) of the definition of “ABR”.

“**SOFR Rate Day**” has the meaning set forth in the definition of “Daily Simple SOFR”.

“**SOFR Tranche**” means the collective reference to SOFR Loans under a particular Facility (other than the L/C Facility), the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

“**Solvency Certificate**” means the Solvency Certificate, dated the Closing Date, delivered to the Administrative Agent pursuant to Section 5.1(r), which Solvency Certificate shall be in substantially the form of Exhibit D.

“**Solvent**” means, when used with respect to any Person, means that, 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, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (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 liability of such Person on its debts as such debts become absolute and matured, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (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. For purposes of this definition, (i) “debt” means liability on a “claim,” and (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

“**Specified Swap Agreement**” means any Swap Agreement entered into by the Borrower and any Qualified Counterparty (or any Person who was a Qualified Counterparty as of the Closing Date or as of the date such Swap Agreement was entered into) in respect of interest rates to the extent permitted under Section 7.13.

“**Subordinated Debt Document**” means any agreement, certificate, document or instrument executed or delivered by Holdings or any Subsidiary and evidencing Indebtedness of Holdings or any Subsidiary which is subordinated to the payment of the Obligations in a manner approved in writing by the Administrative Agent and the Required Lenders, and any renewals, modifications, or amendments thereof which are approved in writing by the Administrative Agent and the Required Lenders.

“**Subordinated Indebtedness**” means Indebtedness of a Loan Party subordinated to the Obligations or the Guarantee Obligations, as applicable, pursuant to subordination terms (including payment, lien and remedies subordination terms, as applicable) reasonably acceptable to the Administrative Agent.

“**Subsidiary**” means, 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 Holdings.

“**Subsidiary Guarantor**” means each Material Domestic Subsidiary of the Borrower which has become a Guarantor pursuant to the requirements of Section 6.12 hereof and the Guarantee and Collateral Agreement.

“**Surety Indebtedness**” means, as of any date of determination, indebtedness (contingent or otherwise) owing to sureties arising from surety bonds issued on behalf of any Loan Party or its respective Subsidiaries as support for, among other things, their contracts with customers, whether such indebtedness is owing directly or indirectly by such Loan Party or any such Subsidiary.

“**SVB**” has the meaning set forth in the preamble hereto.

“**Swap Agreement**” means any agreement with respect to any swap, hedge, forward, future or derivative transaction or option or similar agreement (including without limitation, any Interest Rate Agreement) involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of Holdings and its Subsidiaries shall be deemed to be a “Swap Agreement”.

“**Swap Obligation**” means, with respect to any Guarantor, any obligation of such Guarantor to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of Section 1a(47) of the Commodity Exchange Act.

“**Swap Termination Value**” means, in respect of any one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Agreements, (a) for any date on or after the date any such Swap Agreement has been closed out and termination value determined in accordance therewith, such termination value, and (b) for any date prior to the date referenced in clause (a), the amount determined as the mark-to-market value for such Swap Agreement, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Agreements (which may include a Qualified Counterparty).

“**Swingline Commitment**” means the obligation of the Swingline Lender to make Swingline Loans pursuant to Section 2.6 in an aggregate principal amount at any one time outstanding not to exceed \$1,000,000.

“**Swingline Lender**” means SVB, in its capacity as the lender of Swingline Loans or such other Lender as the Borrower may from time to time select as the Swingline Lender hereunder pursuant to Section 2.7(f); provided that such Lender has agreed to be a Swingline Lender.

“**Swingline Loan Note**” means a promissory note in the form of Exhibit H-2, as it may be amended, supplemented or otherwise modified from time to time.

“**Swingline Loans**” has the meaning set forth in Section 2.6.

“**Swingline Participation Amount**” has the meaning set forth in Section 2.7(c).

“**Synthetic Lease Obligation**” means 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**” means 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**” means, as to any Lender, the obligation of such Lender, if any, to make a Term Loan to the Borrower in an aggregate principal amount not to exceed the amount set forth under the heading “Term Commitment” opposite such Lender’s name on Schedule 1.1. The original aggregate amount of the Term Commitments is \$85,000,000.

“**Term Facility**” means the Term Commitments and the Term Loans made thereunder.

“**Term Lender**” means each Lender that has a Term Commitment or that holds a Term Loan.

“**Term Loan**” means the term loans made by the Lenders pursuant to Section 2.1.

“**Term Loan Funding Office**” means the office of the Administrative Agent specified in Section 10.2 or such other office as may be specified from time to time by the Administrative Agent as its funding office by written notice to the Borrower and the Lenders.

“**Term Loan Note**” means a promissory note in the form of Exhibit H-3, as it may be amended, supplemented or otherwise modified from time to time.

“**Term Percentage**” means, as to any Term Lender at any time, the percentage which such Lender’s Term Commitment then constitutes of the aggregate Term Commitments (or, at any time after the Closing Date, the percentage which the aggregate principal amount of such Lender’s Term Loans then outstanding constitutes of the aggregate principal amount of the Term Loans then outstanding).

“**Term SOFR**” means:

(e) for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “**Periodic Term SOFR Determination Day**”) that is two U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day; and

(f) for any calculation with respect to an ABR Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “**ABR Term SOFR Determination Day**”) that is two U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any ABR Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate

for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three U.S. Government Securities Business Days prior to such ABR Term SOFR Determination Day;

(g) provided that if Term SOFR as so determined in clause (a) or (b), shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

“**Term SOFR Administrator**” means the CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

“**Term SOFR Reference Rate**” means the forward-looking term rate based on SOFR.

“**Test Period**” means, as of any date, the period of four consecutive Fiscal Quarters then most recently ended for which financial statements required to be delivered pursuant to Section 6.1(a) or Section 6.1(b), as applicable, have been delivered (or are required to have been delivered); provided, that at all times prior to the first delivery of financial statements pursuant to Section 6.1(a) or Section 6.1(b), Test Period shall refer to the period of four consecutive Fiscal Quarters most recently ended for which financial statements for the Borrower are available.

“**Third Amendment**” means that certain Third Amendment to Credit Agreement, dated as of March 12, 2025, by and among Holdings, Intermediate Holdings, the Borrower, Lenders party thereto and the Administrative Agent.

“**Third Amendment Effective Date**” has the meaning assigned to such term in the Third Amendment.

“**Third Amendment Transactions**” has the meaning assigned to such term in the Third Amendment.

“**Third Amendment Updated Lender Model**” means the model titled “2025 Budget Model” received by the Administrative Agent on February 11, 2025.

“**Third Party Payor**” means Medicare, Medicaid, TRICARE, state government insurers, private insurers (including Blue Cross and/or Blue Shield) and any other person or entity which presently or in the future maintains Third Party Payor Programs.

“**Third Party Payor Programs**” means all third party payor programs in which any Loan Party or any PC Entity participates or is enrolled (including, without limitation, Medicare, Medicaid, TRICARE, CHAMPUS, CHAMPVA or any other federal or state health care programs, as well as private insurers (including Blue Cross and/or Blue Shield), managed care plans, or any other Third Party Payor that reimburses for health care items or services).

“**Threshold Amount**” means \$1,000,000.

“**Total Credit Exposure**” means, as to any Lender at any time, the unused Commitments, Revolving Extensions of Credit and outstanding Term Loans of such Lender at such time.

“**Total L/C Commitments**” means, at any time, the sum of all L/C Commitments at such time, as the same may be reduced from time to time pursuant to Section 2.10 or 3.5(b). The initial amount of the Total L/C Commitments on the Closing Date is \$2,000,000.

“**Total Revolving Commitments**” means, at any time, the aggregate amount of the Revolving Commitments then in effect.

“**Total Revolving Extensions of Credit**” means, at any time, the aggregate amount of the Revolving Extensions of Credit outstanding at such time.

“**Trade Date**” has the meaning set forth in Section 10.6(b)(i)(B).

“**Transactions**” has the meaning set forth in the recitals hereto.

“**Type**” means as to any Loan, its nature as an ABR Loan or SOFR Loan.

“**Unadjusted Benchmark Replacement**” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“**Unfriendly Acquisition**” means any acquisition that has not, at the time of the first public announcement of an offer relating thereto, been approved by the board of directors (or other legally recognized governing body) of the Person to be acquired; except that with respect to any acquisition of a non-U.S. Person, an otherwise friendly acquisition shall not be deemed to be unfriendly if it is not customary in such jurisdiction to obtain such approval prior to the first public announcement of an offer relating to a friendly acquisition.

“**Uniform Commercial Code**” or “**UCC**” means 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.**” means the United States of America.

“**Unrestricted Cash**” means the unrestricted cash and Cash Equivalents of the Loan Parties held at such time by Holdings and its Subsidiaries in Deposit Accounts or Securities Accounts subject to Control Agreements in favor of the Administrative Agent, minus any Qualified Cash.

“**USCRO**” means the US Copyright Office.

“**USPTO**” means the US Patent and Trademark Office.

“**U.S. Government Securities Business Day**” means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

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

“**U.S. Tax Compliance Certificate**” has the meaning set forth in Section 2.20(f).

“**Voting Stock**” means, as to any Person, the capital stock of any class or classes or other equity interests (however designated and including general partnership interests in a partnership) having ordinary voting power for the election of directors or similar governing body of such Person.

“**Weighted Average Life to Maturity**” means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required scheduled payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness; provided that the effects of any prepayment made in respect of such Indebtedness shall be disregarded in making such calculation.

“**Withholding Agent**” means, as applicable, any of any applicable Loan Party and the Administrative Agent, 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 any Group Member 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 assets 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 Pacific time, and (vi) references to agreements (including this Agreement) or other Contractual Obligations shall, unless otherwise specified, be deemed to refer to such agreements or Contractual Obligations 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 Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, unless otherwise specified, and (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.

(e) Any reference in any Loan Document to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a Division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person. Any Division of a limited liability company shall constitute a separate Person under the Loan Documents (and each division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity) on the first date of its existence. In connection with any Division, if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then such asset shall be deemed to have been transferred from the original Person to the subsequent Person.

1.3 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

1.4 Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to ABR, Term SOFR Reference Rate, Term SOFR or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or

characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, ABR, Term SOFR Reference Rate, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of ABR, Term SOFR Reference Rate, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain ABR, Term SOFR Reference Rate, Term SOFR or any other Benchmark, in each case, pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other Person for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

Section 2

AMOUNT AND TERMS OF COMMITMENTS

2.1 Term Commitments. Subject to the terms and conditions hereof, each Term Lender severally agrees to make a Term Loan to the Borrower on the Closing Date in an amount equal to the amount of the Term Commitment of such Lender. The Term Loans may from time to time be SOFR Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.2 and 2.13.

2.2 Procedure for Term Loan Borrowing. The Borrower shall give the Administrative Agent an irrevocable Notice of Borrowing (which must be received by the Administrative Agent prior to 10:00 A.M. one Business Day prior to the anticipated Closing Date) requesting that the Term Lenders make the Term Loans on the Closing Date and specifying the amount to be borrowed. The Term Loans made on the Closing Date shall initially be ABR Loans and, unless otherwise agreed by the Administrative Agent in its sole discretion, no Term Loan may be converted into or continued as a SOFR Loan having an Interest Period in excess of one month prior to the date that is 30 days after the Closing Date. Upon receipt of such Notice of Borrowing, the Administrative Agent shall promptly notify each Term Lender thereof. Not later than 10:00 A.M. on the Closing Date each Term Lender shall make available to the Administrative Agent at the Term Loan Funding Office an amount in immediately available funds equal to the Term Loan or Term Loans to be made by such Lender. The Administrative Agent shall credit the account of the Borrower on the books of such office of the Administrative Agent with the aggregate of the amounts made available to the Administrative Agent by the Term Lenders in immediately available funds or, if so specified in the Flow of Funds Agreement, the Administrative Agent shall wire transfer all or a portion of such aggregate amounts to the Existing Agent (for application against amounts then outstanding under the Existing Credit Facility), in accordance with the wire instructions specified for such purpose in the Flow of Funds Agreement.

2.3 Repayment of Term Loans. Beginning on March 31, 2023, the Term Loans of each Term Lender shall be repaid in consecutive quarterly installments, each of which shall be in an amount equal to such Lender's Term Percentage multiplied by the amount set forth below opposite such installment:

<u>Installment</u>	<u>Principal Amount</u>
March 31, 2023	\$531,250
June 30, 2023	\$531,250
September 30, 2023	\$531,250
December 31, 2023	\$531,250
March 31, 2024	\$531,250
June 30, 2024	\$531,250
September 30, 2024	\$531,250
December 31, 2024	\$531,250
March 31, 2025	\$1,062,500
June 30, 2025	\$1,062,500
September 30, 2025	\$1,062,500
December 31, 2025	\$1,062,500
March 31, 2026	\$1,593,750
June 30, 2026	\$1,593,750
September 30, 2026	\$1,593,750
December 31, 2026	\$1,593,750
March 31, 2027	\$1,593,750

To the extent not previously paid, all Term Loans shall be due and payable on the Maturity Date, together with accrued and unpaid interest on the principal amount to be paid to but excluding the date of payment.

2.4 Revolving Commitments.

(a) Subject to the terms and conditions hereof, each Revolving Lender severally agrees to make revolving credit loans (each, a “*Revolving Loan*” and, collectively, the “*Revolving Loans*”) to the Borrower from time to time during the Revolving Commitment Period in an aggregate principal amount at any one time outstanding which, when added to the aggregate outstanding amount of the Swingline Loans, the aggregate undrawn amount of all outstanding Letters of Credit and the aggregate amount of all L/C Disbursements that have not yet been reimbursed or converted into Revolving Loans, incurred on behalf of the Borrower and owing to such Lender, does not exceed the amount of such Lender’s Revolving Commitment. In addition, such aggregate obligations shall not at any time exceed the Total Revolving Commitments at such time. During the Revolving Commitment Period the Borrower may use the Revolving Commitments by borrowing, prepaying the Revolving Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof. The Revolving Loans may from time to time be SOFR Loans or ABR Loans, as determined by the Borrower and notified to the Administrative Agent in accordance with Sections 2.5 and 2.13. Borrowings of more than one Type may be outstanding at the same time; provided that, there shall not be more than a total of seven SOFR Borrowings outstanding at any time.

(b) The Borrower shall repay all outstanding Revolving Loans on the Maturity Date.

2.5 Procedure for Revolving Loan Borrowing. The Borrower may borrow under the Revolving Commitments during the Revolving Commitment Period on any Business Day; provided that the Borrower shall give the Administrative Agent an irrevocable Notice of Borrowing (which must be received by the Administrative Agent prior to 10:00 A.M. (a) three U.S. Government Securities Business Days prior to the requested Borrowing Date, in the case of SOFR Loans, or (b) one Business Day prior to the requested Borrowing Date, in the case of ABR Loans) (provided that any such Notice of Borrowing of

ABR Loans under the Revolving Facility to finance payments under Section 3.5(a) may be given not later than 10:00 A.M. on the date of the proposed borrowing), in each such case specifying (i) the amount and Type of Revolving Loans to be borrowed, (ii) the requested Borrowing Date, (iii) the respective amounts of each such Type of Loan, (iv) in the case of SOFR Loans, the respective lengths of the initial Interest Period therefor, and (v) instructions for remittance of the proceeds of the applicable Loans to be borrowed. If no Interest Period is specified with respect to any requested SOFR Loans, the Borrower shall be deemed to have selected an Interest Period of one month's duration. Unless otherwise agreed by the Administrative Agent in its sole discretion, no Revolving Loan may be made as, converted into or continued as a SOFR Loan having an Interest Period in excess of one month prior to the date that is 30 days after the Closing Date. Each borrowing under the Revolving Commitments shall be in an amount equal to in the case of ABR Loans or SOFR Loans, \$1,000,000 or a whole multiple of \$100,000 in excess thereof (or, if the then aggregate Available Revolving Commitments are less than \$1,000,000, such lesser amount); provided that the Swingline Lender may request, on behalf of the Borrower, borrowings under the Revolving Commitments that are ABR Loans in other amounts pursuant to Section 2.7. Upon receipt of any such Notice of Borrowing from the Borrower, the Administrative Agent shall promptly notify each Revolving Lender thereof. Each Revolving Lender will make the amount of its *pro rata* share of each such borrowing available to the Administrative Agent for the account of the Borrower at the Revolving Loan Funding Office prior to 10:00 A.M. on the Borrowing Date requested by the Borrower in funds immediately available to the Administrative Agent. Such borrowing will then be made available to the Borrower by the Administrative Agent crediting such account as is designated in writing to the Administrative Agent by the Borrower with the aggregate of the amounts made available to the Administrative Agent by the Revolving Lenders and in like funds as received by the Administrative Agent or, if so specified in the Flow of Funds Agreement, the Administrative Agent shall wire transfer all or a portion of such aggregate amounts to the Existing Agent (for application against amounts then outstanding under the Existing Credit Facility), in accordance with the wire instructions specified for such purpose in the Flow of Funds Agreement. No Revolving Loan will be made on the Closing Date.

2.6 Swingline Commitment. Subject to the terms and conditions hereof, the Swingline Lender agrees to make available a portion of the credit accommodations otherwise available to the Borrower under the Revolving Commitments from time to time during the Revolving Commitment Period by making swing line loans (each a "**Swingline Loan**" and, collectively, the "**Swingline Loans**") to the Borrower; provided that (a) the aggregate principal amount of Swingline Loans outstanding at any time shall not exceed the Swingline Commitment then in effect, (b) the Borrower shall not request, and the Swingline Lender shall not make, any Swingline Loan if, after giving effect to the making of such Swingline Loan, the aggregate amount of the Available Revolving Commitments would be less than zero, and (c) the Borrower shall not use the proceeds of any Swingline Loan to refinance any then outstanding Swingline Loan. During the Revolving Commitment Period, the Borrower may use the Swingline Commitment by borrowing, repaying and reborrowing, all in accordance with the terms and conditions hereof. Swingline Loans shall be ABR Loans only. The Borrower shall repay to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the Maturity Date.

2.7 Procedure for Swingline Borrowing; Refunding of Swingline Loans.

(a) Whenever the Borrower desires that the Swingline Lender make Swingline Loans the Borrower shall give the Swingline Lender irrevocable telephonic notice (which telephonic notice must be received by the Swingline Lender not later than 10:00 A.M. on the proposed Borrowing Date) confirmed promptly in writing by a Notice of Borrowing, specifying (i) the amount to be borrowed, (ii) the requested Borrowing Date (which shall be a Business Day during the Revolving Commitment Period), and (iii) instructions for the remittance of the proceeds of such Loan. Each borrowing under the Swingline Commitment shall be in an amount equal to \$100,000 or a whole multiple of \$100,000 in excess thereof. Promptly thereafter, on the Borrowing Date specified in a notice in respect of Swingline Loans, the Swingline Lender shall make available to the Borrower an amount in immediately available funds equal to the amount of the Swingline Loan to be made by depositing such amount in the account designated in writing to the Administrative Agent by the Borrower. Unless a Swingline Loan is sooner refinanced by the advance of a Revolving Loan pursuant to Section 2.7(b), such Swingline Loan shall be repaid by the Borrower no later than five Business Days after the advance of such Swingline Loan.

(b) The Swingline Lender, at any time and from time to time in its sole and absolute discretion may, on behalf of the Borrower (which hereby irrevocably directs the Swingline Lender to act on its behalf), on one Business Day's telephonic notice given by the Swingline Lender no later than 10:00 A.M. and promptly confirmed in writing, request each Revolving Lender to make, and each Revolving Lender hereby agrees to make, a Revolving Loan, in an amount equal to such Revolving Lender's Revolving Percentage of the aggregate amount of such Swingline Loan (each a "**Refunded Swingline Loan**") outstanding on the date of such notice, to repay the Swingline Lender. Each Revolving Lender shall make the amount of such Revolving Loan available to the Administrative Agent at the Revolving Loan Funding Office in immediately available funds, not later than 10:00 A.M. one Business Day after the date of such notice. The proceeds of such Revolving Loan shall be immediately made available by the Administrative Agent to the Swingline Lender for application by the Swingline Lender to the repayment of the Refunded Swingline Loan. The Borrower irrevocably authorizes the Swingline Lender to charge the Borrower's accounts with the Administrative Agent (up to the amount available in each such account) to immediately pay the amount of any Refunded Swingline Loan to the extent amounts received from the Revolving Lenders are not sufficient to repay in full such Refunded Swingline Loan.

(c) If prior to the time that the Borrower has repaid the Swingline Loans pursuant to Section 2.7(a) or a Revolving Loan has been made pursuant to Section 2.7(b), one of the events described in Section 8.1(f) shall have occurred or if for any other reason, as determined by the Swingline Lender in its sole discretion, Revolving Loans may not be made as contemplated by Section 2.7(b), each Revolving Lender shall, on the date such Revolving Loan was to have been made pursuant to the notice referred to in Section 2.7(b) or on the date requested by the Swingline Lender (with at least one Business Day's notice to the Revolving Lenders), purchase for cash an undivided participating interest in the then outstanding Swingline Loans by paying to the Swingline Lender an amount (the "**Swingline Participation Amount**") equal to (i) such Revolving Lender's Revolving Percentage *times* (ii) the sum of the aggregate principal amount of the outstanding Swingline Loans that were to have been repaid with such Revolving Loans.

(d) Whenever, at any time after the Swingline Lender has received from any Revolving Lender such Lender's Swingline Participation Amount, the Swingline Lender receives any payment on account of the Swingline Loans, the Swingline Lender will distribute to such Lender its Swingline Participation Amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded and, in the case of principal and interest payments, to reflect such Lender's *pro rata* portion of such payment if such payment is not sufficient to pay the principal of and interest on all Swingline Loans then due); provided that in the event that such payment received by the Swingline Lender is required to be returned, such Revolving Lender will return to the Swingline Lender any portion thereof previously distributed to it by the Swingline Lender.

(e) Each Revolving Lender's obligation to make the Loans referred to in Section 2.7(b) and to purchase participating interests pursuant to Section 2.7(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such Revolving Lender or the Borrower may have against the Swingline Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other Revolving Lender, or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(f) The Swingline Lender may resign at any time by giving 30 days' prior notice to the Administrative Agent, the Lenders and the Borrower. Following such notice of resignation from the Swingline Lender, the Swingline Lender may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the Required Lenders and the successor Swingline Lender. After the resignation or replacement of the Swingline Lender hereunder, the retiring Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of the Swingline Lender under this Agreement and the other Loan Documents with respect to Swingline Loans made by it prior to

such resignation or replacement, but shall not be required or permitted to make any additional Swingline Loans.

2.8 [Reserved].

2.9 Fees.

(a) Upfront Fee. On or prior to the Closing Date, the Borrower agrees to pay to the Administrative Agent an upfront fee in the amount specified in the Fee Letter.

(b) Commitment Fee. As additional compensation for the Revolving Commitment, the Borrower shall pay to the Administrative Agent for the account of the Lenders, in arrears, on the first day of each quarter prior to the Maturity Date and on the Maturity Date, a fee for the Borrower's non-use of available funds in an amount equal to the Commitment Fee Rate per annum multiplied by the difference between (x) the Revolving Commitments (as they may be reduced from time to time) and (y) the average for the period of the daily closing balance of the Revolving Loans outstanding; provided, that Swingline Loans shall not be considered utilization of the Revolving Facility for purposes of this calculation.

(c) Agency Fees. The Borrower agrees to pay to the Administrative Agent the fees in the amounts and on the dates as set forth in the Fee Letter and to perform any other obligations contained therein.

(d) Fees Nonrefundable. All fees payable under this Section 2.9 shall be fully earned on the date paid and nonrefundable.

2.10 Termination or Reduction of Revolving Commitments. The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the Revolving Commitments or, from time to time, to reduce the amount of the Revolving Commitments; provided that no such termination or reduction of the Revolving Commitments shall be permitted if, after giving effect thereto and to any prepayments of the Revolving Loans and Swingline Loans made on the effective date thereof, the Total Revolving Extensions of Credit would exceed the Available Revolving Commitments. Any such reduction shall be in an amount equal to \$500,000, or a whole multiple thereof, and shall reduce permanently the Revolving Commitments then in effect; provided, further, if in connection with any such reduction or termination of the Revolving Commitments a SOFR Loan is prepaid on any day other than the Interest Payment Date therefor, the Borrower shall also pay any amounts owing pursuant to Section 2.21. The Borrower shall have the right, upon not less than three Business Days' notice to the Administrative Agent, to terminate the L/C Commitments or, from time to time, to reduce the amount of the L/C Commitments; provided that no such termination or reduction of L/C Commitments shall be permitted if, after giving effect thereto, the Total L/C Commitments shall be reduced to an amount that would result in the aggregate L/C Exposure exceeding the Total L/C Commitments (as so reduced). Any such reduction shall be in an amount equal to \$500,000, or a whole multiple thereof, and shall reduce permanently the L/C Commitments then in effect.

2.11 Optional Prepayments. The Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon irrevocable notice delivered to the Administrative Agent no later than 10:00 A.M. three U.S. Government Securities Business Days prior thereto, in the case of SOFR Loans, and no later than 10:00 A.M. one Business Day prior thereto, in the case of ABR Loans, which notice shall specify the date and amount of the proposed prepayment; provided that, if a SOFR Loan is prepaid, in whole or in part, on any day other than the Interest Payment Date therefor, the Borrower shall also pay any amounts owing pursuant to Section 2.21; provided, further that if such notice of prepayment indicates that such prepayment is to be funded with the proceeds of a refinancing, such notice of prepayment may be revoked if the financing is not consummated. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of Revolving Loans that are ABR Loans and Swingline Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Term Loans and Revolving Loans shall be in an aggregate principal amount of \$500,000 or a whole multiple thereof.

Partial prepayments of Swingline Loans shall be in an aggregate principal amount of \$250,000 or a whole multiple thereof.

2.12 Mandatory Prepayments.

(a) If any Indebtedness shall be incurred by any Group Member (excluding any Indebtedness incurred in accordance with Section 7.2 (unless such Indebtedness is incurred to replace or refinance the Facilities, in whole or in part)), an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on the date of such incurrence toward the prepayment of the Term Loans and other amounts as set forth in Section 2.12(c).

(b) If on any date any Group Member shall receive Net Cash Proceeds from any Asset Sale or Recovery Event then, unless a Reinvestment Notice shall be delivered within six months after the date of such Asset Sale or Recovery Event, an amount equal to 100% of the Net Cash Proceeds thereof shall be applied on such date toward the prepayment of the Loans and other amounts as set forth in Section 2.12(c); provided that notwithstanding the foregoing, (i) the aggregate Net Cash Proceeds of Asset Sales and Recovery Events that may be excluded from the foregoing requirement pursuant to a Reinvestment Notice shall not exceed \$500,000 in any Fiscal Year of the Borrower and (ii) on each Reinvestment Prepayment Date, an amount equal to the Reinvestment Prepayment Amount with respect to the relevant Reinvestment Event shall be applied toward the prepayment of the Loans and other amounts as set forth in Section 2.12(c); provided, further that (x) no Default or Event of Default shall have occurred and be continuing at the time of such Asset Sale or Recovery Event and on any Reinvestment Prepayment Date, in each case as certified by the Borrower in writing to the Administrative Agent and (y) pending such Reinvestment Prepayment Date, such Net Cash Proceeds are held in an account of the Borrower that is subject to a Control Agreement.

(c) Subject to Section 2.12(h) below, amounts to be applied in connection with prepayments made pursuant to this Section 2.12 shall be applied to the prepayment of installments due in respect of the Term Loans on a pro rata basis (provided that any Term Lender may decline any such prepayment (the aggregate amount of all such prepayments declined in connection with any particular prepayment, collectively, the “**Declined Amount**”), in which case the Declined Amount shall be distributed first, to the prepayment, on a *pro rata* basis, of the Term Loans held by Term Lenders that have elected to accept such Declined Amounts; second, to the extent of any residual, if no Term Loans remain outstanding, to the prepayment of the Revolving Loans in accordance with Section 2.15(c) (with no corresponding permanent reduction in the Revolving Commitments); and third, to the extent of any residual, if no Term Loans or Revolving Loans remain outstanding, to the replacement of outstanding Letters of Credit and/or the deposit of an amount in cash (in an amount not to exceed 103% of the then existing L/C Exposure) in a Cash Collateral account established with the Administrative Agent for the benefit of the L/C Lenders on terms and conditions satisfactory to the Issuing Lender). Each prepayment of the Loans under this Section 2.12 (except in the case of Revolving Loans that are ABR Loans and Swingline Loans, in the event all Revolving Commitments have not been terminated) shall be accompanied by accrued interest to the date of such prepayment on the amount prepaid. The Borrower shall deliver to the Administrative Agent and each Term Lender notice of each prepayment of Term Loans in whole or in part pursuant to this Section 2.12 not less than five Business Days prior to the date such prepayment shall be made (each, a “**Mandatory Prepayment Date**”). Such notice shall set forth (i) the Mandatory Prepayment Date, (ii) the aggregate amount of such prepayment and (iii) the options of each Term Lender to (x) decline or accept its share of such prepayment and (y) to accept Declined Amounts. Any Term Lender that wishes to exercise its option to decline such prepayment or to accept Declined Amounts shall notify the Administrative Agent by facsimile not later than three Business Days prior to the Mandatory Prepayment Date.

(d) The Borrower shall deliver to the Administrative Agent, at the time of each prepayment required under this Section 2.12, (i) a certificate signed by a Responsible Officer setting forth in reasonable detail the calculation of the amount of such prepayment or reduction and (ii) to the extent practicable, at least five days prior written notice of such prepayment or reduction (and the Administrative Agent shall promptly provide the same to each Lender). Each notice of prepayment shall specify the prepayment or reduction date, the Type of each Loan being prepaid and the principal amount of each Loan (or portion thereof) to be prepaid.

(e) The Borrower shall from time to time prepay first, the Swingline Loans, and second, the Revolving Loans, to the extent necessary so that the Total Revolving Extensions of Credit shall not at any time exceed the Total Revolving Commitments then in effect.

(f) No prepayment fee shall be payable in respect of any mandatory prepayments made pursuant to this Section 2.12.

(g) In the event the aggregate amount of deposits made into the Collection Account in accordance with Section 6.19(c) exceeds \$3,000,000, an amount equal to such excess shall be applied toward the prepayment of the Loans and other amounts as set forth in Section 2.12(c). Any such prepayment under this Section 2.12(g) shall occur (1) on the first Business Day on which such excess exists and (2) thereafter on the last Business Day of each week to the extent any such excess then exists, in each case unless and until the aggregate amount prepaid under this Section 2.12(g) is equal to \$10,000,000.

(h) Commencing on April 30, 2025, if, at the last Business Day of each month, the Liquidity exceeds \$3,000,000, then the Borrower shall prepay any Revolving Loans then outstanding in an amount equal to such excess.

(i) Upon the occurrence of a Triggering Event (as defined in the Fund Guarantee), an amount equal to 100% of the proceeds received in accordance with the terms of the Fund Guarantee shall be applied toward the prepayment of the Loans and other amounts as set forth in Section 2.12(c).

2.13 Conversion and Continuation Options.

(a) The Borrower may elect from time to time to convert SOFR Loans to ABR Loans by giving the Administrative Agent prior notice in a Notice of Conversion/Continuation of such election no later than 10:00 A.M. one Business Day prior to the proposed conversion date; provided that any such conversion of SOFR Loans may only be made on the last day of an Interest Period with respect thereto. The Borrower may elect from time to time to convert ABR Loans to SOFR Loans by giving the Administrative Agent prior notice in a Notice of Conversion/Continuation of such election no later than 10:00 A.M. three U.S. Government Securities Business Days prior to the proposed conversion date (which notice shall specify the length of the initial Interest Period therefor); provided that no ABR Loan may be converted into a SOFR Loan when any Event of Default has occurred and is continuing. Upon receipt of any such notice, the Administrative Agent shall promptly notify each relevant Lender thereof. If no Interest Period is specified with respect to any SOFR Loans in a Notice of Conversion/Continuation delivered by the Borrower to the Administrative Agent, the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(b) The Borrower may elect from time to time to continue any SOFR Loan by giving the Administrative Agent prior notice of such election in a Notice of Conversion/Continuation, in accordance with the applicable provisions of the term "Interest Period" set forth in Section 1.1, of the length of the next Interest Period to be applicable to such SOFR Loan; provided that no SOFR Loan may be continued as such when any Event of Default has occurred and is continuing; provided, further that (x) if the Borrower shall fail to give any required notice as described above in this paragraph, upon the expiration of the then current Interest Period, such SOFR Loans shall be automatically continued as SOFR Loans bearing interest at a rate based upon Term SOFR and with an Interest Period of the same length as then expiring Interest Period or (y) if such continuation is not permitted pursuant to the preceding proviso, such SOFR Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any such notice the Administrative Agent shall promptly notify each relevant Lender thereof.

(c) After the occurrence and during the continuance of an Event of Default, (i) the Borrower may not elect to have a Loan be made or continued as, or converted to, a SOFR Loan after the expiration of any Interest Period then in effect for such Loan and (ii), any Notice of Conversion/Continuation given by the Borrower with respect to a requested conversion/continuation that has not yet occurred shall, at the Administrative Agent's option, be deemed to be rescinded by the Borrower and be deemed a request to convert or continue Loans referred to therein as ABR Loans.

2.14 Limitations on SOFR Tranches. Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions and continuations of SOFR Loans and all selections of Interest Periods shall be in such amounts and be made pursuant to such elections so that, (a) after giving effect thereto, the aggregate principal amount of the SOFR Loans comprising each SOFR Tranche shall be equal to \$1,000,000 or a whole multiple of \$100,000 in excess thereof (or such lesser amount as shall represent all of the SOFR Loans then outstanding), and (b) no more than seven SOFR Tranches shall be outstanding at any one time.

2.15 Interest Rates and Payment Dates.

(a) Each SOFR Loan shall bear interest at a rate per annum equal to (i) Term SOFR for the Interest Period therefor plus (ii) the Applicable Margin.

(b) Each ABR Loan (including any Swingline Loan) shall bear interest at a rate per annum equal to (i) the ABR plus (ii) the Applicable Margin.

(c) During the continuance of an Event of Default, at the request of Required Lenders, all outstanding Loans shall bear interest at a rate per annum equal to the rate that would otherwise be applicable thereto pursuant to the foregoing provisions of this Section 2.15 plus 2.00% (the “*Default Rate*”); provided that the Default Rate shall apply to all outstanding Loans automatically and without any Required Lender consent therefor upon the occurrence and continuance of any Event of Default arising under Section 7.1, Section 8.1(a) or Section 8.1(f).

(d) Interest shall be payable in arrears on each Interest Payment Date; provided that (x) interest accruing pursuant to Section 2.15(c) shall be payable from time to time on demand and (y) in the event of any conversion of any SOFR Loan prior to the Interest Payment Date, accrued interest on such SOFR Loan and any amounts owing pursuant to Section 2.21 shall be payable on the effective date of such conversion.

2.16 Computation of Interest and Fees; Conforming Changes.

(a) Interest and fees payable pursuant hereto shall be calculated on the basis of a 360-day year for the actual days elapsed, except that, with respect to ABR Loans the rate of interest on which is calculated on the basis of the Prime Rate, the interest thereon shall be calculated on the basis of a 365- (or 366-, as the case may be) day year for the actual days elapsed. All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. Any change in the interest rate on a Loan resulting from a change in the ABR shall become effective as of the opening of business on the day on which such change becomes effective. The Administrative Agent shall as soon as practicable notify the Borrower and the relevant Lenders of the effective date and the amount of each such change in interest rate.

(b) Each determination of an interest rate by the Administrative Agent pursuant to any provision of this Agreement shall be conclusive and binding on the Borrower and the Lenders in the absence of manifest error. The Administrative Agent shall, at the request of the Borrower, deliver to the Borrower a statement showing the quotations used by the Administrative Agent in determining any interest rate pursuant to Section 2.16(a).

(c) In connection with the use or administration of any Benchmark, the Administrative Agent shall have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes shall become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of such Benchmark.

2.17 Inability to Determine Interest Rate; Benchmark Replacement Setting.

(a) Inability to Determine Interest Rate. Subject to Section 2.17(b), if, as of any date:

(i) the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that “Term SOFR” cannot be determined pursuant to the definition thereof, or

(ii) the Required Lenders determine that for any reason, in connection with any request for a SOFR Loan or a conversion thereto or a continuation thereof that “Term SOFR” for any requested Interest Period with respect to a proposed SOFR Loan does not adequately and fairly reflect the cost to such Lenders of making and maintaining such Loan, and the Required Lenders have provided notice of such determination to the Administrative Agent,

the Administrative Agent will promptly so notify the Borrower and each Lender. Upon notice thereof by the Administrative Agent to the Borrower, any obligation of the Lenders to make and any right of the Borrower to continue SOFR Loans or to convert ABR Loans to SOFR Loans shall be suspended (to the extent of the affected Interest Periods) until the Administrative Agent (with respect to clause (ii), at the instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending request for a borrowing of, conversion to or, in the case of SOFR Loans, continuation of SOFR Loans (to the extent of the affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans in the amount specified therein and (ii) any outstanding affected SOFR Loans will be deemed to have been converted into ABR Loans at the end of the applicable Interest Period. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 2.21. Subject to Section 2.17(b), if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that “Term SOFR” cannot be determined pursuant to the definition thereof, in each case on any given day, the interest rate on ABR Loans shall be determined by the Administrative Agent without reference to clause (c) of the definition of “ABR” until the Administrative Agent revokes such determination.

(b) Benchmark Replacement Setting.

(i) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of “Benchmark Replacement” for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the affected Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a monthly basis.

(ii) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(iii) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrower of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 2.17(b)(iv), and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 2.17(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.17(b).

(iv) Unavailability of Tenor of Benchmark. Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if the then-current Benchmark is a term rate (including Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (if applicable) (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (if applicable) (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for a SOFR Borrowing of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, (i) the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans and (ii) any outstanding affected SOFR Loans will be deemed to have been converted into ABR Loans at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of ABR based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of ABR.

2.18 Pro Rata Treatment and Payments.

(a) Each borrowing by the Borrower from the Lenders hereunder, each payment by the Borrower on account of any commitment fee and any reduction of the Commitments shall be made *pro rata* according to the respective Term Percentages, L/C Percentages or Revolving Percentages, as the case may be, of the relevant Lenders.

(b) Except as otherwise provided herein, each payment (including each prepayment) by the Borrower on account of principal of and interest on the Term Loans shall be made *pro rata* according to the respective outstanding principal amounts of the Term Loans then held by the Term Lenders. The amount of each optional principal prepayment of the Term Loans shall be applied as directed by the Borrower. The amount of each principal prepayment of the Term Loans shall be applied to reduce the then remaining installments of the Term Loans *pro rata* based upon the respective then remaining principal amounts thereof. Except as otherwise may be agreed by the Borrower and the Required Lenders, any prepayment of Loans shall be applied to the then outstanding Term Loans on a *pro rata* basis regardless of type. Amounts prepaid on account of the Term Loans may not be reborrowed.

(c) Each payment (including each prepayment) by the Borrower on account of principal of and interest on the Revolving Loans shall be made *pro rata* according to the respective outstanding principal amounts of the Revolving Loans then held by the Revolving Lenders.

(d) 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 10:00 A.M. on the due date thereof to the Administrative Agent, for the account of the Lenders, at the applicable Funding Office, in Dollars and in immediately available funds. The Administrative Agent shall distribute such payments to the Lenders promptly upon receipt in like funds as received. Any payment received by the Administrative Agent after 10:00 A.M. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment hereunder (other than payments on the SOFR Loans) becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day. If any payment on a SOFR 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 two sentences, interest thereon shall be payable at the then applicable rate during such extension.

(e) Unless the Administrative Agent shall have been notified in writing by any Lender prior to the proposed date of any borrowing that such Lender will not make the amount that would constitute its share of such borrowing available to the Administrative Agent, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on such date in accordance with Section 2, and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such amount is not in fact made available to the Administrative Agent by the required time on the Borrowing Date therefor, such Lender and the Borrower severally agree to pay to the Administrative Agent forthwith, on demand, such corresponding amount with interest thereon, for each day from and including the date on which such amount is made available to the Borrower but excluding the date of payment to the Administrative Agent, at (i) in the case of a payment to be made by such Lender, a rate equal to the greater of (A) the Federal Funds Effective Rate and (B) a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by the Borrower, the rate per annum applicable to ABR Loans under the relevant Facility. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Loan included in such borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(f) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the Issuing Lender, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Lender, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. Nothing herein shall be deemed to limit the rights of Administrative Agent or any Lender against the Borrower.

(g) If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Section 2, and such funds are not made available to the Borrower by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Section 5.1 or Section 5.2 are not satisfied or waived in accordance with the

terms hereof, the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(h) The obligations of the Lenders hereunder to (i) make Term Loans, (ii) make Revolving Loans, (iii) to fund its participations in L/C Disbursements in accordance with its respective L/C Percentage, (iv) to fund its respective Swingline Participation Amount of any Swingline Loan, and (v) to make payments pursuant to Section 9.7, as applicable, are several and not joint. The failure of any Lender to make any such Loan, to fund any such participation or to make any such payment under Section 9.7 on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 9.7.

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

(j) If at any time insufficient funds are received by and available to the Administrative Agent 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, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, toward payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(k) If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the principal of or interest on any Loan made by it, its participation in the L/C Exposure or other obligations hereunder, as applicable (other than pursuant to a provision hereof providing for non-pro rata treatment), in excess of its Term Percentage, Revolving Percentage or L/C Percentage, as applicable, of such payment on account of the Loans or participations obtained by all of the Lenders, such Lender shall (a) notify the Administrative Agent of the receipt of such payment, and (b) within five Business Days of such receipt purchase (for cash at face value) from the other Term Lenders, Revolving Lenders or L/C Lenders, as applicable (through the Administrative Agent), without recourse, such participations in the Term Loans or Revolving Loans made by them and/or participations in the L/C Exposure held by them, as applicable, or make such other adjustments as shall be equitable, as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of the other Lenders in accordance with their respective Term Percentages, Revolving Percentages or L/C Percentages, as applicable; provided, however, that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest and (ii) the provisions of this paragraph shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or (y) any payment obtained by a Lender as consideration for the assignment or sale of a participation in any of its Loans or participations in L/C Disbursements to any assignee or participant, other than to Holdings or any Subsidiary thereof (as to which the provisions of this paragraph shall apply). The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.18(k) may exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation. No documentation other than notices and the like referred to in this Section 2.18(k) shall be required to implement the terms of this Section 2.18(k). The Administrative Agent shall keep records (which shall be conclusive and binding in the absence of manifest error) of participations purchased pursuant to this Section 2.18(k) and shall in each case notify the Term Lenders, the Revolving Lenders or the L/C Lenders, as applicable, following any such purchase. The provisions of this Section 2.18(k) shall not be construed to apply to (i) any payment made by or on behalf of the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (ii) the application of Cash Collateral provided for in Section 3.10, or (iii) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or sub-participations in any L/C Exposure to any assignee or participant, other than an assignment to Holdings or any Subsidiary thereof (as to which the provisions of this Section shall apply).

The Borrower consents on behalf of itself and each other Loan Party to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Loan Party in the amount of such participation. For the avoidance of doubt, no amounts received by the Administrative Agent or any Lender from any Guarantor that is not a Qualified ECP Guarantor shall be applied in partial or complete satisfaction of any Excluded Swap Obligations.

(l) Notwithstanding anything to the contrary in this Agreement, the Administrative Agent may, in its discretion at any time or from time to time, without the Borrower's request and even if the conditions set forth in Section 5.2 would not be satisfied, make a Revolving Loan in an amount equal to the portion of the Obligations constituting overdue interest and fees and Swingline Loans from time to time due and payable to itself, any Revolving Lender, the Swingline Lender or the Issuing Lender, and apply the proceeds of any such Revolving Loan to those Obligations; provided that after giving effect to any such Revolving Loan, the aggregate outstanding Revolving Loans will not exceed the Total Revolving Commitments then in effect.

2.19 Illegality; Requirements of Law.

(a) Illegality. If any Lender determines that any Requirement of Law imposed after the date hereof has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain or fund Loans whose interest is determined by reference to SOFR, Term SOFR or Term SOFR Reference Rate, or to determine or charge interest based upon SOFR, Term SOFR or Term SOFR Reference Rate, then, upon written notice thereof by such Lender to the Borrower (through the Administrative Agent) (an "**Illegality Notice**"), (i) any obligation of the Lenders to make SOFR Loans, and the right of the Borrower to continue SOFR Loans or to convert ABR Loans to SOFR Loans, shall be suspended, and (ii) the interest rate on ABR Loans shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to SOFR component of the definition of "ABR", in each case until each affected Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of an Illegality Notice, the Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all SOFR Loans to ABR Loans (the interest rate on which ABR Loans shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to SOFR component of the definition of "ABR") on the Interest Payment Date therefor, if all affected Lenders may lawfully continue to maintain such SOFR Loans to such day, or immediately, if any Lender may not lawfully continue to maintain such SOFR Loans to such day, in each case, until the Administrative Agent is advised in writing by each affected Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon, Term SOFR or Term SOFR Reference Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 2.21.

(b) Requirements of Law. If the adoption of or any change after the date hereof 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 made subsequent to the date hereof:

(i) shall subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes, and (C) Connection Income Taxes) on its Loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

(ii) shall impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the Federal Reserve Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in

Regulation D)), 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, any Lender; or

(iii) impose on any Lender any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein;

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

(c) If any Lender determines that any change in any Requirement of Law imposed after the date hereof affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swingline Loans held by, such Lender, or the Letters of Credit issued by the Issuing Lender, to a level below that which such Lender or such Lender's holding company could have achieved but for such change in such Requirement of Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender or the Issuing Lender, as the case may be, such additional amount or amounts as will compensate such Lender or the Issuing Lender or such Lender's or Issuing 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 (i) and (ii) be deemed to be a change in any Requirement of Law, regardless of the date enacted, adopted or issued.

(e) A certificate (in reasonable detail) as to any additional amounts payable pursuant to paragraphs (b), (c), or (d) of this Section submitted by any Lender to the Borrower (with a copy to the Administrative Agent) shall be conclusive in the absence of manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation. Notwithstanding anything to the contrary in this Section 2.19, the Borrower shall not be required to compensate a Lender pursuant to this Section 2.19 for any amounts incurred more than nine months prior to the date that such Lender notifies the Borrower of the change in the Requirement of Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor; provided that if the circumstances giving rise to such claim have a retroactive effect, then such nine-month period shall be extended to include the period of such retroactive effect. The obligations of the Borrower arising pursuant to this Section 2.19 shall survive the Discharge of Obligations and the resignation of the Administrative Agent.

2.20 Taxes. For purposes of this Section 2.20, the term “Lender,” for the avoidance of doubt, includes the Issuing Lender and 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 2.20. 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) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b) Payment of Other Taxes. Each of Holdings and the Borrower shall, and each of Holdings 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 Administrative Agent 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 2.20, the Borrower shall, or shall cause such other Loan Party to, deliver to the Administrative Agent 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 Administrative Agent.

(d) Indemnification by Loan Parties. The Borrower shall, and shall cause each other Loan Party to, jointly and severally indemnify each Recipient, within 10 days after 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 2.20) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto (including any recording and filing fees with respect thereto or resulting therefrom and any liabilities with respect to, or resulting from, any delay in paying such Indemnified Taxes), whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate (in reasonable detail) as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. If any Loan Party fails to pay any Indemnified Taxes when due to the appropriate taxing authority or fails to remit to the Administrative Agent the required receipts or other required documentary evidence, such Loan Party shall indemnify the Administrative Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Administrative Agent or any Lender as a result of any such failure.

(e) Indemnification by Lenders. Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender’s failure to comply with the provisions of Section 10.6 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate (in reasonable detail) as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this Section 2.20(e).

(f) Status of Lenders.

(i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such 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 2.20(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if the Lender is not legally entitled to complete, execute or deliver such documentation or, in the Lender's reasonable judgment, such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) 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 originals 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;

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

(3) 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" 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

(4) 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 and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), 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 or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such 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), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent 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 or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount 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) Each 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 and the Administrative Agent in writing of its legal inability to do so. Each Foreign Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Notwithstanding any other provision of this paragraph, a Foreign Lender shall not be required to deliver any form pursuant to this paragraph that such Foreign Lender is not legally able to deliver.

(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 2.20 (including by the payment of additional amounts pursuant to this Section 2.20), 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 2.20(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 2.20(g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 2.20(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 2.20 shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender and the Discharge of Obligations.

2.21 Indemnity. In the event of (a) the payment of any principal of any SOFR Loan other than on the Interest Payment Date therefor (including as a result of an Event of Default), (b) the conversion of any SOFR Loan other than on the Interest Payment Date therefor (including as a result of an Event of Default), (c) the failure to borrow, convert, continue or prepay any SOFR Loan on the date specified in any notice delivered pursuant hereto, or (d) the assignment of any SOFR Loan other than on the Interest Payment Date therefor, as a result of a request by the Borrower pursuant to Section 2.23), then, in any such event, the Borrower shall compensate each Lender for any loss, cost and expense attributable to such event, including any loss, cost or expense arising from the liquidation or redeployment of funds or from any fees payable. A certificate (in reasonable detail) of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

2.22 Change of Lending Office. Each Lender agrees that, upon the occurrence of any event giving rise to the operation of Section 2.19(b), Section 2.19(c), Section 2.20(a), Section 2.20(b) or Section 2.20(d) with respect to such Lender, it will, if requested by the Borrower, use reasonable efforts (subject to overall policy considerations of such Lender) to designate a different lending office for funding or booking its Loans affected by such event or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.19 or 2.20, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender; provided that nothing in this Section shall affect or postpone any of the obligations of the Borrower or the rights of any Lender pursuant to Section 2.19(b), Section 2.19(c), Section 2.20(a), Section 2.20(b) or Section 2.20(d). The Borrower hereby agrees to pay all reasonable and documented out-of-pocket costs and expenses incurred by any Lender in connection with any such designation or assignment made at the request of the Borrower.

2.23 Substitution of Lenders. Upon the receipt by the Borrower of any of the following (or in the case of clause (a) below, if the Borrower is required to pay any such amount), with respect to any Lender (any such Lender described in clauses (a) through (c) below being referred to as an “*Affected Lender*” hereunder):

(a) a request from a Lender for payment of Indemnified Taxes or additional amounts under Section 2.20 or of increased costs pursuant to Section 2.19(c) or Section 2.19(d) (and, in any such case, such Lender has declined or is unable to designate a different lending office in accordance with Section 2.22 or is a Non-Consenting Lender);

(b) a notice from the Administrative Agent under Section 10.1(b) that one or more Minority Lenders are unwilling to agree to an amendment or other modification approved by the Required Lenders and the Administrative Agent; or

(c) notice from the Administrative Agent that a Lender is a Defaulting Lender;

then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent and such Affected Lender: (i) request that one or more of the other Lenders acquire and assume all or part of such Affected Lender’s Loans and Commitment; or (ii) designate a replacement lending institution (which shall be an Eligible Assignee) to acquire and assume all or a ratable part of such Affected Lender’s Loans and Commitment (the replacing Lender or lender in (i), or (ii) being a “*Replacement Lender*”); provided, however, that the Borrower shall be liable for the payment upon demand of all costs and other amounts arising under Section 2.21 that result from the acquisition of any Affected Lender’s Loan and/or Commitment (or any portion thereof) by a Lender or Replacement Lender, as the case may be, on a date other than the Interest Payment Date therefor, with respect to any SOFR Loans then outstanding; and provided, further, however, that if the Borrower elects to exercise such right with respect to any Affected Lender under clause (a) or (b) of this Section 2.23, then the Borrower shall be obligated to replace all Affected Lenders under such clauses. The Affected Lender replaced pursuant to this Section 2.23 shall be required to assign and delegate, without recourse, all of its interests, rights

and obligations under this Agreement and the related Loan Documents to one or more Replacement Lenders that so agree to acquire and assume all or a ratable part of such Affected Lender's Loans and Commitment upon payment to such Affected Lender of an amount (in the aggregate for all Replacement Lenders) equal to 100% of the outstanding principal of the Affected Lender's Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from such Replacement Lenders (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts, including amounts under Section 2.21 hereof). Any such designation of a Replacement Lender shall be effected in accordance with, and subject to the terms and conditions of, the assignment provisions contained in Section 10.6 (with the assignment fee to be paid by the Borrower in such instance), and, if such Replacement Lender is not already a Lender hereunder or an Affiliate of a Lender or an Approved Fund, shall be subject to the prior written consent of the Administrative Agent (which consent shall not be unreasonably withheld, delayed or conditioned). Notwithstanding the foregoing, with respect to any assignment pursuant to this Section 2.23, (x) in the case of any such assignment resulting from a claim for compensation under Section 2.19 or payments required to be made pursuant to Section 2.20, such assignment shall result in a reduction in such compensation or payments thereafter; (y) such assignment shall not conflict with applicable law and (z) in the case of any assignment resulting from a Lender being a Minority Lender referred to in clause (b) of this Section 2.23, the applicable assignee shall have consented to the applicable amendment, waiver or consent. Notwithstanding the foregoing, an Affected Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Affected Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

Notwithstanding anything in this Section to the contrary, (i) any Lender that acts as an Issuing Lender may not be replaced hereunder at any time it has any Letter of Credit outstanding hereunder unless arrangements satisfactory to such Lender (including the furnishing of a backstop standby letter of credit in form and substance, and issued by an issuer, reasonably satisfactory to such Issuing Lender or the depositing of cash collateral into a cash collateral account in amounts and pursuant to arrangements reasonably satisfactory to such Issuing Lender) have been made with respect to such outstanding Letter of Credit and (ii) the Lender that acts as the Administrative Agent may not be replaced hereunder except in accordance with the terms of Section 9.9.

2.24 Defaulting Lenders.

(a) Defaulting Lender Adjustments. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) Waivers and Amendments. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in Section 10.1 and in the definitions of Majority Revolving Lenders, Majority Term Lenders and Required Lenders.

(ii) Defaulting Lender Waterfall. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 8 or otherwise, and including any amounts made available to the Administrative Agent by such Defaulting Lender pursuant to Section 10.7), shall be applied at such time or times as may be determined by the Administrative Agent as follows: first, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; second, to the payment on a *pro rata* basis of any amounts owing by such Defaulting Lender to the Issuing Lender or to the Swingline Lender hereunder; third, to be held as Cash Collateral for the funding obligations of such Defaulting Lender of any participation in any Letter of Credit; fourth, as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of

which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; fifth, if so determined by the Administrative Agent and the Borrower, to be held in a Deposit Account and released pro rata to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement, and (y) be held as Cash Collateral for the future funding obligations of such Defaulting Lender of any participation in any future Letter of Credit; sixth, to the payment of any amounts owing to any L/C Lender, Issuing Lender or Swingline Lender as a result of any judgment of a court of competent jurisdiction obtained by any L/C Lender, Issuing Lender or Swingline Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; seventh, so long as no Default or Event of Default has occurred and is continuing, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and eighth, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (A) such payment is a payment of the principal amount of any Loans or L/C Advances in respect of which such Defaulting Lender has not fully funded its appropriate share and (B) such Loans or L/C Advances were made at a time when the conditions set forth in Section 5.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Advances owed to, all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of, or L/C Advances owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Advances and Swingline Loans are held by the Lenders pro rata in accordance with the Commitments under the applicable Facility without giving effect to Section 2.24(a)(iv). Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 2.24(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) Certain Fees.

(A) No Defaulting Lender shall be entitled to receive any fee pursuant to Section 2.9(b) for any period during which such Lender is a Defaulting Lender (and the Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to such Defaulting Lender).

(B) Each Defaulting Lender shall be limited in its right to receive letter of credit fees as provided in Section 3.3(d).

(C) With respect to any letter of credit fee not required to be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrower shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letters of Credit or Swingline Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to the Issuing Lender and the Swingline Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to the Issuing Lender's or the Swingline Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) Reallocation of Pro Rata Share to Reduce Fronting Exposure. During any period in which there is a Defaulting Lender, for purposes of computing the amount of the obligation of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit pursuant to Section 3.4 or in Swingline Loans pursuant to Section 2.7(c), the L/C Percentage of each Non-Defaulting Lender of any such Letter of Credit and the Revolving Percentage of each Non-Defaulting Lender of any such Swingline Loan, as the case may be, shall be computed without giving effect to the Revolving Commitment of such Defaulting Lender; provided that, (A) each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Event of Default has occurred and is continuing; and (B) the aggregate obligations of each Non-Defaulting Lender to acquire, refinance or fund participations in Letters of Credit and Swingline Loans shall not exceed the positive difference, if any, of (1) the Revolving Commitment of that Non-Defaulting Lender minus (2) the aggregate outstanding amount of the Revolving Loans of that Lender plus the aggregate amount of that Lender's L/C Percentage of then outstanding Letters of Credit. No reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having

become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) Cash Collateral, Repayment of Swingline Loans. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, (x) first, prepay Swingline Loans in an amount equal to the Swingline Lender's Fronting Exposure and (y) second, Cash Collateralize the Issuing Lender's Fronting Exposure in accordance with the procedures set forth in Section 3.10.

(b) Defaulting Lender Cure. If the Borrower, the Administrative Agent, the Swingline Lender and the Issuing Lender agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), such Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swingline Loans to be held on a *pro rata* basis by the Lenders in accordance with their respective Revolving Percentages, L/C Percentages, and Term Percentages, as applicable (without giving effect to Section 2.24(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while such Lender was a Defaulting Lender; and provided, further that, except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from such Lender having been a Defaulting Lender.

(c) New Swingline Loans/Letters of Credit. So long as any Lender is a Defaulting Lender, (i) the Swingline Lender shall not be required to fund any Swingline Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swingline Loan, and (ii) the Issuing Lender shall not be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure in respect of Letters of Credit after giving effect thereto.

(d) Termination of Defaulting Lender. The Borrower may terminate the unused amount of the Revolving Commitment of any Revolving Lender that is a Defaulting Lender upon not less than 10 Business Days' prior notice to the Administrative Agent (which shall promptly notify the Lenders thereof), and in such event the provisions of Section 2.24(a)(ii) will apply to all amounts thereafter paid by the Borrower for the account of such Defaulting Lender under this Agreement (whether on account of principal, interest, fees, indemnity or other amounts); provided that (i) no Event of Default shall have occurred and be continuing, and (ii) such termination shall not be deemed to be a waiver or release of any claim the Borrower, the Administrative Agent, the Issuing Lender, the Swingline Lender or any other Lender may have against such Defaulting Lender.

2.25 Notes. If so requested by any Lender by written notice to the Borrower (with a copy to the Administrative Agent), the Borrower shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 10.6) (promptly after the Borrower's receipt of such notice) a Note or Notes to evidence such Lender's Loans.

2.26 Incremental Credit Extensions.

(a) The Borrower may, at any time, on one or more occasions pursuant to an Incremental Facility Amendment, (i) increase the aggregate amount of the Term Commitments (any such increase, an "Incremental Term Facility" and any loan made pursuant to an Incremental Term Facility, "Incremental Term Loans") and/or (ii) increase the aggregate amount of the Revolving Commitments (any such increase, an "Incremental Revolving Facility" and, together with any Incremental Term Facility, "Incremental Facilities"; and the loans thereunder, "Incremental Revolving Loans" and any Incremental Revolving Loans, together with any Incremental Term Loans, "Incremental Loans") in an aggregate principal amount not to exceed \$25,000,000; provided that:

(i) no Incremental Commitment may be in an amount that is less than \$5,000,000 (or such lesser amount to which the Administrative Agent may reasonably agree);

(ii) no Lender shall be obligated to provide any Incremental Commitment, and the determination to provide such commitments shall be within the sole and absolute discretion of such Lender (it being agreed that the Borrower shall be obligated to offer the opportunity to all existing Lenders to participate in any Incremental Facility in accordance with each Lender's pro rata share of the Facilities (which any Lender will be deemed to have declined if it does not respond to the Borrower within 15 Business Days));

(iii) no Incremental Facility or Incremental Loan (nor the creation, provision or implementation thereof) shall require the approval of any existing Lender other than in its capacity, if any, as a lender providing all or part of any Incremental Commitment or Incremental Loan;

(iv) subject to clause (v) below, the terms of any Incremental Facility shall be identical to those applicable to any applicable then-existing Facility;

(v) the pricing shall be determined by the Borrower and the lender or lenders providing such Incremental Facility; provided that, in the case of any Incremental Term Facility that is *pari passu* with the Term Loans in right of payment and with respect to security, the Effective Yield applicable thereto may not be more than 0.50% higher than the Effective Yield applicable to the then-existing Term Loans unless the Applicable Margin (and/or the Floor) with respect to the Term Loans is adjusted, or fees are paid to the relevant then-existing Term Lenders, in each case, such that the Effective Yield in respect of such existing Term Loans is not more than 0.50% per annum less than the Effective Yield with respect to such Incremental Term Facility;

(vi) subject to clause (v) above, to the extent applicable, any fees payable in connection with any Incremental Facility shall be determined by the Borrower and the arrangers and/or lenders providing such Incremental Facility;

(vii) the final maturity date with respect to any Incremental Facility shall be the Maturity Date;

(viii) the Weighted Average Life to Maturity of any Incremental Facility shall be no shorter than the remaining Weighted Average Life to Maturity of the Facilities (without giving effect to any prepayment thereof);

(ix) no Incremental Facility may be (A) guaranteed by any Person that is not a Loan Party or (B) secured by any asset other than the Collateral;

(x) any Incremental Term Facility may participate (A) in any voluntary prepayment of Term Loans as set forth in Section 2.11 on a pro rata basis (but not greater than pro rata basis) and (B) in any mandatory prepayment of Term Loans as set forth in Section 2.12 on a pro rata basis (but not greater than pro rata basis) with the then-existing Term Loans, in each case, to the extent provided in such Sections;

(xi) the conditions set forth in Section 5.2(a) and (b) hereof shall be satisfied after giving effect to the incurrence or implementation of the relevant Incremental Facility as if such incurrence or implementation constituted a "Credit Extension";

(xii) the Borrower shall be in compliance with each of the financial covenants set forth in Section 7.1, after giving effect to the incurrence or implementation of the relevant Incremental Facility;

(xiii) the Consolidated Leverage Ratio of Holdings and its Subsidiaries shall be less than or equal to 1.75:1.00 (it being agreed that the Consolidated Leverage Ratio shall be calculated without netting the proceeds of such Incremental Facility and treating any Incremental Revolving Facility

as being fully drawn), after giving effect to the incurrence or implementation of the relevant Incremental Facility;

(xiv) the proceeds of any Incremental Facility may be used for general corporate purposes and any other use not prohibited by this Agreement;

(xv) on the date of the Borrowing of any Incremental Term Loans, such Incremental Term Loans shall be added to (and constitute a part of, be of the same Type as and, at the election of the Borrower, have the same Interest Period as) each Borrowing of outstanding Term Loans on a pro rata basis (based on the relative sizes of such Borrowings), so that each Term Lender providing such Incremental Term Loans will participate proportionately in each then-outstanding Borrowing of Term Loans; and

(xvi) the aggregate principal amount of Incremental Revolving Facilities shall not exceed \$5,000,000.

(b) Incremental Commitments may be provided by any existing Lender, or by any other Eligible Assignee (any such other lender being called an “Incremental Lender”); provided that the Administrative Agent (and, in the case of any Incremental Revolving Facility, any Issuing Lender and any Swingline Lender) shall have a right to consent (such consent not to be unreasonably withheld, conditioned or delayed) to the relevant Incremental Lender’s provision of Incremental Commitments if such consent would be required under Section 10.6 for an assignment of Loans to such Incremental Lender.

(c) Each Lender or Incremental Lender providing a portion of any Incremental Commitment shall execute and deliver to the Administrative Agent and the Borrower all such documentation (including the relevant Incremental Facility Amendment) as may be reasonably required by the Administrative Agent to evidence and effectuate such Incremental Commitment. On the effective date of the relevant Incremental Commitment, each Incremental Lender shall become a Lender for all purposes in connection with this Agreement.

(d) As conditions precedent to the effectiveness of any Incremental Facility or the making of any Incremental Loans, (i) upon its request, the Administrative Agent shall be entitled to receive customary written opinions of counsel, as well as such reaffirmation agreements, supplements and/or amendments as it shall reasonably require, (ii) the Administrative Agent shall be entitled to receive, from each Incremental Lender, an administrative questionnaire and such other documents as it shall reasonably require from such Incremental Lender, (iii) the Administrative Agent and the Incremental Lenders shall be entitled to receive all fees required to be paid in respect of such Incremental Facility or Incremental Loans, (iv) the Administrative Agent shall have received a Notice of Borrowing as if the relevant Incremental Loans were subject to Section 2.2 or Section 2.5 and (v) the Administrative Agent shall be entitled to receive a certificate of the Borrower signed by a Responsible Officer thereof certifying and attaching a copy of the resolutions adopted by the governing body of the Borrower approving or consenting to such Incremental Facility or Incremental Loans.

(e) Notwithstanding anything to the contrary in this Section 2.26 or in any other provision of any Loan Document, the conditions to availability or funding of any Incremental Facility shall be determined by the relevant Incremental Lenders providing such Incremental Facility and the Borrower.

(f) Upon the implementation of any Incremental Revolving Facility pursuant to this Section 2.26, (i) each Revolving Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each relevant Incremental Revolving Facility Lender, and each relevant Incremental Revolving Facility Lender will automatically and without further act be deemed to have assumed a portion of such Revolving Lender’s participations hereunder in outstanding Letters of Credit and Swingline Loans such that, after giving effect to each deemed assignment and assumption of participations, all of the Revolving Lenders’ (including each Incremental Revolving Facility Lender) (A) participations hereunder in Letters of Credit and (B) participations hereunder in Swingline Loans shall be held on a pro rata basis on the basis of their respective Revolving Commitments

(after giving effect to any increase in the Revolving Commitment pursuant to this Section 2.26) and (ii) the existing Revolving Lenders shall assign Revolving Loans to certain other Revolving Lenders (including the Revolving Lenders providing the relevant Incremental Revolving Facility), and such other Revolving Lenders (including the Revolving Lenders providing the relevant Incremental Revolving Facility) shall purchase such Revolving Loans, in each case to the extent necessary so that all of the Revolving Lenders participate in each outstanding Borrowing of Revolving Loans pro rata on the basis of their respective Revolving Commitments (after giving effect to any increase in the Revolving Commitment pursuant to this Section 2.26); it being understood and agreed that the minimum borrowing, pro rata borrowing and pro rata payment requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to this clause (f).

(g) The Lenders hereby irrevocably authorize the Administrative Agent to, and the Administrative Agent shall (without the consent of any Lenders (other than those providing the applicable Incremental Facility)), enter into any Incremental Facility Amendment and/or any amendment to any other Loan Document as may be necessary, appropriate or advisable in the reasonable opinion of the Administrative Agent. In addition, the Incremental Facility Amendment with respect to any Incremental Term Facility may, without the consent of any Lenders (other than those providing such Incremental Term Loans) or the Administrative Agent, include such amendments to this Agreement as may be necessary, appropriate or advisable as reasonably determined by the Administrative Agent and the Borrower to make the applicable Incremental Term Loans “fungible” with the relevant existing Term Loans (including by modifying the amortization schedule).

(h) This Section 2.26 shall supersede any provision in Section 2.18 or Section 10.1 to the contrary.

Section 3 LETTERS OF CREDIT

3.1 L/C Commitment.

(a) Subject to the terms and conditions hereof, the Issuing Lender agrees to issue letters of credit (“*Letters of Credit*”) for the account of the Borrower on any Business Day during the Letter of Credit Availability Period in such form as may reasonably be approved from time to time by the Issuing Lender; provided that the Issuing Lender shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance, the L/C Exposure would exceed either the Total L/C Commitments or the Available Revolving Commitment at such time. Each Letter of Credit shall (i) be denominated in Dollars and (ii) expire no later than the earlier of (x) the first anniversary of its date of issuance and (y) the Letter of Credit Maturity Date, provided that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (y) above).

(b) The Issuing Lender shall not at any time be obligated to issue any Letter of Credit if:

(i) such issuance would conflict with, or cause the Issuing Lender or any L/C Lender to exceed any limits imposed by, any applicable Requirement of Law;

(ii) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the Issuing Lender from issuing, amending or reinstating such Letter of Credit, or any law, rule or regulation applicable to the Issuing Lender or any request, guideline or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the Issuing Lender shall prohibit, or request that the Issuing Lender refrain from, the issuance, amendment, renewal or reinstatement of letters of credit generally or such Letter of Credit in particular or shall impose upon the Issuing Lender with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the Issuing Lender is not otherwise compensated) not in effect on the Closing Date, or shall impose upon the Issuing Lender any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the Issuing Lender in good faith deems material to it;

(iii) the Issuing Lender has received written notice from any Lender, the Administrative Agent or the Borrower, at least one Business Day prior to the requested date of issuance, amendment, renewal or reinstatement of such Letter of Credit, that one or more of the applicable conditions contained in Section 5.2 shall not then be satisfied;

(iv) any requested Letter of Credit is not in form and substance acceptable to the Issuing Lender, or the issuance, amendment or renewal of a Letter of Credit shall violate any applicable laws or regulations or any applicable policies of the Issuing Lender;

(v) such Letter of Credit contains any provisions providing for automatic reinstatement of the stated amount after any drawing thereunder;

(vi) [reserved]; or

(vii) any Lender is at that time a Defaulting Lender, unless the Issuing Lender has entered into arrangements, including the delivery of Cash Collateral pursuant to Section 3.10, satisfactory to the Issuing Lender (in its sole discretion) with the Borrower or such Defaulting Lender to eliminate the Issuing Lender's actual or potential Fronting Exposure (after giving effect to Section 2.24(a)(iv)) with respect to the Defaulting Lender arising from either the Letter of Credit then proposed to be issued or such Letter of Credit and all other L/C Exposure as to which the Issuing Lender has actual or potential Fronting Exposure, as it may elect in its sole discretion.

3.2 Procedure for Issuance of Letters of Credit. The Borrower may from time to time request that the Issuing Lender issue a Letter of Credit for the account of the Borrower by delivering to the Issuing Lender at its address for notices specified herein an Application therefor, completed to the satisfaction of the Issuing Lender, and such other certificates, documents and other papers and information as the Issuing Lender may request. Upon receipt of any Application, the Issuing Lender will process such Application and the certificates, documents, and other papers and information delivered to it in connection therewith in accordance with its customary procedures, and shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Lender be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the Issuing Lender and the Borrower. The Issuing Lender shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. The Issuing Lender shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

3.3 Fees and Other Charges.

(a) The Borrower agrees to pay, with respect to each outstanding Letter of Credit issued for the account of (or at the request of) the Borrower, (i) a fronting fee of 0.125% per annum on the daily amount available to be drawn under each such Letter of Credit to the Issuing Lender for its own account (a "**Letter of Credit Fronting Fee**"), and (ii) a letter of credit fee equal to the Applicable Margin relating to Letters of Credit multiplied by the daily amount available to be drawn under each such Letter of Credit on the drawable amount of such Letter of Credit to the Administrative Agent for the ratable account of the L/C Lenders (determined in accordance with their respective L/C Percentages) (a "**Letter of Credit Fee**"), in each case payable quarterly in arrears on the last Business Day of March, June, September and December of each year and on the Letter of Credit Maturity Date (each, an "**L/C Fee Payment Date**") after the issuance date of such Letter of Credit, and (iii) the Issuing Lender's standard and reasonable fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit issued for the account of (or at the request of) the Borrower or processing of drawings thereunder (the fees in this clause (iii), collectively, the "**Issuing Lender Fees**"). All Letter of Credit Fronting Fees and Letter of Credit Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

(b) In addition to the foregoing fees, the Borrower shall pay or reimburse the Issuing Lender for such normal and customary costs and expenses as are incurred or charged by the Issuing

Lender in issuing, negotiating, effecting payment under, amending or otherwise administering any Letter of Credit.

(c) The Borrower shall furnish to the Issuing Lender and the Administrative Agent such other documents and information pertaining to any requested Letter of Credit issuance, amendment or renewal, including any L/C-Related Documents, as the Issuing Lender or the Administrative Agent may require. This Agreement shall control in the event of any conflict with any L/C-Related Document (other than any Letter of Credit).

(d) Any letter of credit fees otherwise payable for the account of a Defaulting Lender with respect to any Letter of Credit as to which such Defaulting Lender has not provided Cash Collateral satisfactory to the Issuing Lender pursuant to Section 3.10 shall be payable, to the maximum extent permitted by applicable law, to the other Issuing Lenders in accordance with the upward adjustments in their respective L/C Percentages allocable to such Letter of Credit pursuant to Section 2.24(a)(iv), with the balance of such fee, if any, payable to the Issuing Lender for its own account.

(e) All fees payable under this Section 3.3 shall be fully earned on the date paid and nonrefundable.

3.4 L/C Participations.

(a) **L/C Participations.** The Issuing Lender irrevocably agrees to grant and hereby grants to each L/C Lender, and, to induce the Issuing Lender to issue Letters of Credit, each L/C Lender irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Lender, on the terms and conditions set forth below, for such L/C Lender's own account and risk an undivided interest equal to such L/C Lender's L/C Percentage in the Issuing Lender's obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by the Issuing Lender thereunder. Each L/C Lender agrees with the Issuing Lender that, if a draft is paid under any Letter of Credit for which the Issuing Lender is not reimbursed in full by the Borrower pursuant to Section 3.5(a), such L/C Lender shall pay to the Issuing Lender upon demand at the Issuing Lender's address for notices specified herein an amount equal to such L/C Lender's L/C Percentage of the amount of such draft, or any part thereof, that is not so reimbursed. Each L/C Lender's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (i) any setoff, counterclaim, recoupment, defense or other right that such L/C Lender may have against the Issuing Lender, the Borrower or any other Person for any reason whatsoever, (ii) the occurrence of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 5.2, (iii) any adverse change in the condition (financial or otherwise) of the Borrower, (iv) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other L/C Lender, or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(b) **[Reserved].**

3.5 Reimbursement.

(a) If the Issuing Lender shall make any L/C Disbursement in respect of a Letter of Credit, the Issuing Lender shall notify the Borrower and the Administrative Agent thereof and the Borrower shall pay or cause to be paid to the Issuing Lender an amount equal to the entire amount of such L/C Disbursement not later than the immediately following Business Day. Each such payment shall be made to the Issuing Lender at its address for notices referred to herein in Dollars and in immediately available funds; provided that the Borrower may, subject to the satisfaction of the conditions to borrowing set forth herein, request in accordance with Section 2.5 or Section 2.7(a) that such payment be financed with a Revolving Loan or a Swingline Loan, as applicable, in an equivalent amount and, to the extent so financed, the Borrower's obligations to make such payment shall be discharged and replaced by the resulting Revolving Loan or Swingline Loan.

(b) If the Issuing Lender shall not have received from the Borrower the payment that it is required to make pursuant to Section 3.5(a) with respect to a Letter of Credit within the time specified

in such Section, the Issuing Lender will promptly notify the Administrative Agent of the L/C Disbursement and the Administrative Agent will promptly notify each L/C Lender of such L/C Disbursement and its L/C Percentage thereof, and each L/C Lender shall pay to the Issuing Lender upon demand at the Issuing Lender's address for notices specified herein an amount equal to such L/C Lender's L/C Percentage of such L/C Disbursement (and the Administrative Agent may apply Cash Collateral provided for this purpose); upon such payment pursuant to this paragraph to reimburse the Issuing Lender for any L/C Disbursement, the Borrower shall be required to reimburse the L/C Lenders for such payments (including interest accrued thereon from the date of such payment until the date of such reimbursement at the rate applicable to Revolving Loans that are ABR Loans plus 2.00% per annum) on demand; provided that if at the time of and after giving effect to such payment by the L/C Lenders, the conditions to borrowings and Revolving Loan Conversions set forth in Section 5.2 are satisfied, the Borrower may, by written notice to the Administrative Agent certifying that such conditions are satisfied and that all interest owing under this paragraph has been paid, request that such payments by the L/C Lenders be converted into Revolving Loans (a "**Revolving Loan Conversion**"), in which case, if such conditions are in fact satisfied, the L/C Lenders shall be deemed to have extended, and the Borrower shall be deemed to have accepted, a Revolving Loan in the aggregate principal amount of such payment without further action on the part of any party, and the Total L/C Commitments shall be permanently reduced by such amount; any amount so paid pursuant to this paragraph shall, on and after the payment date thereof, be deemed to be Revolving Loans for all purposes hereunder; provided that the Issuing Lender, at its option, may effectuate a Revolving Loan Conversion regardless of whether the conditions to borrowings and Revolving Loan Conversions set forth in Section 5.2 are satisfied.

3.6 Obligations Absolute. The Borrower's obligations under this Section 3 shall be absolute and unconditional under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against the Issuing Lender, any beneficiary of a Letter of Credit or any other Person. The Borrower also agrees with the Issuing Lender that the Issuing Lender shall not be responsible for, and the Borrower's obligations hereunder shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee. The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Issuing Lender. The Borrower agrees that any action taken or omitted by the Issuing Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct, shall be binding on the Borrower and shall not result in any liability of the Issuing Lender to the Borrower.

In addition to amounts payable as elsewhere provided in the Agreement, the Borrower hereby agrees to pay and to protect, indemnify, and save Issuing Lender harmless from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable attorneys' fees and allocated costs of internal counsel) that the Issuing Lender may incur or be subject to as a consequence, direct or indirect, of (A) the issuance of any Letter of Credit, or (B) the failure of Issuing Lender or of any L/C Lender to honor a demand for payment under any Letter of Credit thereof as a result of any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority, in each case other than to the extent solely as a result of the gross negligence or willful misconduct of Issuing Lender or such L/C Lender (as finally determined by a court of competent jurisdiction).

3.7 Letter of Credit Payments. If any draft shall be presented for payment under any Letter of Credit, the Issuing Lender shall promptly notify the Borrower and the Administrative Agent of the date and amount thereof. The responsibility of the Issuing Lender to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including

each draft) delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

3.8 Applications. To the extent that any provision of any Application related to any Letter of Credit is inconsistent with the provisions of this Section 3, the provisions of this Section 3 shall apply.

3.9 Interim Interest. If the Issuing Lender shall make any L/C Disbursement in respect of a Letter of Credit, then, unless either the Borrower shall have reimbursed such L/C Disbursement in full within the time period specified in Section 3.5(a) or the L/C Lenders shall have reimbursed such L/C Disbursement in full on such date as provided in Section 3.5(b), in each case the unpaid amount thereof shall bear interest for the account of the Issuing Lender, for each day from and including the date of such L/C Disbursement to but excluding the earlier of the date of payment by the Borrower, at the rate per annum that would apply to such amount if such amount were a Revolving Loan that is an ABR Loan; provided that the provisions of Section 2.15(c) shall be applicable to any such amounts not paid when due.

3.10 Cash Collateral.

(a) Certain Credit Support Events. Upon the request of the Administrative Agent or the Issuing Lender (i) if the Issuing Lender has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Advance by all the L/C Lenders that is not reimbursed by the Borrower or converted into a Revolving Loan pursuant to Section 3.5(b), or (ii) if, as of the Letter of Credit Maturity Date, any L/C Exposure for any reason remains outstanding, the Borrower shall, in each case, immediately Cash Collateralize the then effective L/C Exposure in an amount equal to 103% of such L/C Exposure.

At any time that there shall exist a Defaulting Lender, within one Business Day following the request of the Administrative Agent or the Issuing Lender (with a copy to the Administrative Agent), the Borrower shall deliver to the Administrative Agent Cash Collateral in an amount sufficient to cover 103% of the Fronting Exposure relating to Letters of Credit (after giving effect to Section 2.24(a)(iv)) and any Cash Collateral provided by such Defaulting Lender).

(b) Grant of Security Interest. All Cash Collateral (other than credit support not constituting funds subject to deposit) shall be maintained in blocked, non-interest bearing deposit accounts with the Administrative Agent. The Borrower, and to the extent provided by any Lender or Defaulting Lender, such Lender or Defaulting Lender, hereby grants to (and subjects to the control of) the Administrative Agent, for the benefit of the Administrative Agent, the Issuing Lender and the L/C Lenders, and agrees to maintain, a first priority security interest and Lien in all such Cash Collateral and in all proceeds thereof, as security for the Obligations to which such Cash Collateral may be applied pursuant to Section 3.10(c). If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent or any Issuing Lender as herein provided, or that the total amount of such Cash Collateral is less than 103% of the applicable L/C Exposure, Fronting Exposure, and other Obligations secured thereby, the Borrower or the relevant Lender or Defaulting Lender, as applicable, will, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by such Defaulting Lender).

(c) Application. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under any of this Section 3.10, Section 2.24 or otherwise in respect of Letters of Credit shall be held and applied to the satisfaction of the specific L/C Exposure, obligations to fund participations therein (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) and other obligations for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(d) Termination of Requirement. Cash Collateral (or the appropriate portion thereof) provided to reduce Fronting Exposure in respect of Letters of Credit or other Obligations shall no longer be required to be held as Cash Collateral pursuant to this Section 3.10 following (i) the elimination of the

applicable Fronting Exposure and other Obligations giving rise thereto (including by the termination of the Defaulting Lender status of the applicable Lender), or (ii) a determination by the Administrative Agent and the Issuing Lender that there exists excess Cash Collateral; provided, however, (A) that Cash Collateral furnished by or on behalf of a Loan Party shall not be released during the continuance of an Event of Default, and (B) that, subject to Section 2.24, the Person providing such Cash Collateral and the Issuing Lender may agree that such Cash Collateral shall not be released but instead shall be held to support future anticipated Fronting Exposure or other obligations, and provided, further, that to the extent that such Cash Collateral was provided by the Borrower or any other Loan Party, such Cash Collateral shall remain subject to any security interest and Lien granted pursuant to the Loan Documents including any applicable Cash Management Agreement.

3.11 Additional Issuing Lenders. The Borrower may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld) and such Lender, designate one or more additional Lenders to act as an issuing bank under the terms of this Agreement. Any Lender designated as an issuing bank pursuant to this paragraph shall be deemed to be an “**Issuing Lender**” (in addition to being a Lender) in respect of Letters of Credit issued or to be issued by such Lender, and, with respect to such Letters of Credit, such term shall thereafter apply to the other Issuing Lender and such Lender.

3.12 Resignation of the Issuing Lender. The Issuing Lender may resign at any time by giving at least 30 days’ prior written notice to the Administrative Agent, the Lenders and the Borrower. Subject to the next succeeding paragraph, upon the acceptance of any appointment as the Issuing Lender hereunder by a Lender that shall agree to serve as successor Issuing Lender, such successor shall succeed to and become vested with all the interests, rights and obligations of the retiring Issuing Lender and the retiring Issuing Lender shall be discharged from its obligations to issue additional Letters of Credit hereunder without affecting its rights and obligations with respect to Letters of Credit previously issued by it. At the time such resignation shall become effective, the Borrower shall pay all accrued and unpaid fees pursuant to Section 3.3. The acceptance of any appointment as the Issuing Lender hereunder by a successor Lender shall be evidenced by an agreement entered into by such successor, in a form satisfactory to the Borrower and the Administrative Agent, and, from and after the effective date of such agreement, (i) such successor Lender shall have all the rights and obligations of the previous Issuing Lender under this Agreement and the other Loan Documents and (ii) references herein and in the other Loan Documents to the term “Issuing Lender” shall be deemed to refer to such successor or to any previous Issuing Lender, or to such successor and all previous Issuing Lenders, as the context shall require. After the resignation of the Issuing Lender hereunder, the retiring Issuing Lender shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Lender under this Agreement and the other Loan Documents with respect to Letters of Credit issued by it prior to such resignation, but shall not be required to issue additional Letters of Credit or to extend, renew or increase any existing Letter of Credit.

3.13 Applicability of ISP. Unless otherwise expressly agreed by the Issuing Lender and the Borrower when a Letter of Credit is issued and subject to applicable laws, the Letters of Credit shall be governed by and subject to with respect to standby Letters of Credit, the rules of the ISP.

Section 4 REPRESENTATIONS AND WARRANTIES

To induce the Administrative Agent and the Lenders to enter into this Agreement and to make the Loans and issue the Letters of Credit, Holdings, Intermediate Holdings and the Borrower hereby jointly and severally represent and warrant to the Administrative Agent and each Lender, as to themselves and each of their respective Subsidiaries, that:

4.1 Financial Condition.

(a) The Pro Forma Financial Statements have been prepared giving effect (as if such events had occurred on such date) to (i) the consummation of the Refinancing, (ii) the Loans to be made on the Closing Date and the use of proceeds thereof, and (iii) the payment of fees and expenses in

connection with the foregoing. The Pro Forma Financial Statements have been prepared based on the best information available to the Borrower as of the date of delivery thereof, and present fairly in all material respects on a *pro forma* basis the estimated financial position of Holdings and its Subsidiaries as of September 30, 2022 assuming that the events specified in the preceding sentence had actually occurred at such date.

(b) The audited consolidated balance sheets of Holdings and its Subsidiaries as of December 31, 2021 and December 31, 2020, and the related consolidated statements of income and of cash flows for the Fiscal Years ended on such dates, reported on by and accompanied by an unqualified report from Grant Thornton, present fairly in all material respects the consolidated financial condition of Holdings and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the respective Fiscal Years then ended. The unaudited consolidated balance sheet of Holdings and its Subsidiaries as at June 30, 2022, and the related unaudited consolidated statements of income and cash flows for the three-month period ended on such date, present fairly in all material respects the consolidated financial condition of Holdings and its Subsidiaries as at such date, and the consolidated results of its operations and its consolidated cash flows for the three-month period then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by the aforementioned firm of accountants and disclosed therein). No Group Member has, as of the Closing Date, any material Guarantee Obligations, contingent liabilities and liabilities for taxes, or any long-term leases or unusual forward or long-term commitments, including any interest rate or foreign currency swap or exchange transaction or other obligation in respect of derivatives, that are not reflected in the most recent financial statements referred to in this paragraph. During the period from December 31, 2021 to and including the date hereof, there has been no Disposition by any Group Member of any material part of its business or property.

4.2 No Change. Since December 31, 2021, 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 under the laws of the jurisdiction of its organization, (b) has the power and authority, and the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the 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 where the failure to be so qualified could 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 would not reasonably be expected to result in a Material Adverse Effect, or (ii) the failure to comply therewith, either individually or in the aggregate, would 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 Credit Extensions 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 Credit Extensions 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 Credit Extensions 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 described on Schedule 4.4. Each Loan Document has been duly executed and delivered on behalf of each Loan Party party thereto. This Agreement constitutes, and each other Loan Document upon execution 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 similar laws affecting the enforcement of creditors' rights generally and 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 issuance of Letters of Credit, the borrowings hereunder and the use of the proceeds thereof will not violate any Requirement of Law or any material Contractual Obligation of any Group Member 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 such Contractual Obligation (other than the Liens created by the Security Documents). No Group Member has violated any Requirement of Law or violated or failed to comply with any Contractual Obligation applicable to Holdings or any of its Subsidiaries that could 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 Holdings or the Borrower, threatened by or against any Group Member or against any of their respective properties or revenues (a) with respect to any of the Loan Documents or any of the transactions contemplated hereby or thereby, or (b) that could reasonably be expected to have a Material Adverse Effect.

4.7 No Default. No Group Member is in default under or with respect to any of its Contractual Obligations in any respect that could reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing, nor shall either result from the making of a requested Credit Extension.

4.8 Ownership of Property; Liens; Investments. Each Group Member has title in fee simple to, or a valid leasehold interest in, all of its real property, and good title to, or a valid leasehold interest in, all of its other property, and none of such property is subject to any Lien except as permitted by Section 7.3. No Loan Party owns any Investment except as permitted by Section 7.8. Section 10 of the Collateral Information Certificate sets forth a complete and accurate list of all real property owned by each Loan Party as of the date hereof, if any. Section 11 of the Collateral Information Certificate sets forth a complete and accurate list of all leases of real property under which any Loan Party is the lessee as of the date hereof.

4.9 Intellectual Property. Each Group Member owns, or is licensed to use, all Intellectual Property necessary for the conduct of its business as currently conducted. No claim has been asserted and is pending by any Person challenging or questioning any Group Member's use of any Intellectual Property or the validity or effectiveness of any Group Member's Intellectual Property, nor does Holdings or the Borrower know of any valid basis for any such claim, unless such claim could not reasonably be expected to have a Material Adverse Effect. The use of Intellectual Property by each Group Member, and the conduct of such Group Member's business, as currently conducted, does not infringe on or otherwise violate the rights of any Person, unless such infringement could not reasonably be expected to have a Material Adverse Effect, and there are no claims pending or, to the knowledge of Holdings or the Borrower, threatened to such effect.

4.10 Taxes. Each Group Member has filed or caused to be filed all Federal, state and other tax returns that are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of the relevant Group Member); no tax Lien has been filed, and no claim is being asserted, with respect to any such tax, fee or other charge. No Group Member, and, to the knowledge of Holdings or the Borrower, no PC Entity is currently the subject of any audit, assessment or other proceeding with respect to Taxes, and no such audit, assessment or other proceeding is currently proposed or threatened by any Governmental Authority.

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 as now and from time to time hereafter in effect) or extending credit for the purpose of purchasing or carrying margin stock. No part of

the proceeds of any Loans, and no other Credit Extensions 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 of the Federal Reserve Board. If any margin stock directly or indirectly constitutes Collateral securing the Obligations, if requested by any Lender or the Administrative Agent, the Borrower will furnish to the Administrative Agent and each 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) there are no strikes or other labor disputes against any Group Member pending or, to the knowledge of Holdings or the Borrower, threatened; (b) hours worked by and payment made to employees of each Group Member have not been in violation of the Fair Labor Standards Act or any other applicable Requirement of Law dealing with such matters; and (c) all payments due from any Group Member on account of employee health and welfare insurance have been paid or accrued as a liability on the books of the relevant Group Member.

4.13 ERISA.

(a) Schedule 4.13 is a complete and accurate list of all material Plans maintained (in writing) or sponsored by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate contributes as of the Closing Date;

(b) except as would not reasonably be expected to result in a Material Adverse Effect, the Borrower and its ERISA Affiliates are in compliance with all applicable provisions and requirements of ERISA with respect to each Plan, and have performed all their obligations under each Plan;

(c) except as would not reasonably be expected to result in a Material Adverse Effect, no ERISA Event has occurred or is reasonably expected to occur;

(d) except as would not reasonably be expected to result in a Material Adverse Effect, the Borrower and each of its ERISA Affiliates 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;

(e) as of the most recent valuation date for any Pension Plan, the funding target attainment percentage (as defined in Section 430(d)(2) of the Code) is at least 60.0%, and neither the Borrower nor any of its ERISA Affiliates knows of any facts or circumstances that could reasonably be expected to cause the funding target attainment percentage to fall below 60.0% as of the most recent valuation date;

(f) except to the extent required under Section 4980B of the Code, or as described on Schedule 4.13, no Plan provides health or welfare benefits (through the purchase of insurance or otherwise) for any retired or former employee of the Borrower or any of its ERISA Affiliates;

(g) as of the most recent valuation date for any Pension Plan, the amount of outstanding benefit liabilities (as defined in Section 4001(a)(18) of ERISA), individually or in the aggregate for all Pension Plans (excluding for purposes of such computation any Pension Plans with respect to which assets exceed benefit liabilities), does not exceed the Threshold Amount;

(h) the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder will not involve any transaction that is subject to the prohibitions of Section 406 of ERISA or in connection with which taxes could be imposed pursuant to Section 4975(c)(1)(A)-(D) of the Code;

(i) all liabilities under each Plan are (i) funded to at least the minimum level required by law or, if higher, to the level required by the terms governing the Plans, (ii) insured with a reputable insurance company, (iii) provided for or recognized in the financial statements most recently

delivered to the Administrative Agent and the Lenders pursuant hereto or (iv) estimated in the formal notes to the financial statements most recently delivered to the Administrative Agent and the Lenders pursuant hereto;

(j) except as would not reasonably be expected to result in a Material Adverse Effect, there are no circumstances which may give rise to a liability in relation to any Plan which is not funded, insured, provided for, recognized or estimated in the manner described in clause (g); and

(k) (i) the Borrower is not and will not be a “plan” within the meaning of Section 4975(e) of the Code; (ii) the assets of the Borrower do not and will not constitute “plan assets” within the meaning of the United States Department of Labor Regulations set forth in 29 C.F.R. §2510.3-101; (iii) the Borrower is not and will not be a “governmental plan” within the meaning of Section 3(32) of ERISA; and (iv) transactions by or with the Borrower are not and will not be subject to state statutes applicable to the Borrower regulating investments of fiduciaries with respect to governmental plans.

4.14 Investment Company Act; Other Regulations. No Loan Party is an “investment company,” or a company “controlled” by an “investment company,” within the meaning of the Investment Company Act of 1940, as amended. No Loan Party is subject to regulation under any Requirement of Law (other than Regulation X of the Federal Reserve Board) that limits its ability to incur Indebtedness or which may otherwise render all or any portion of the Obligations unenforceable.

4.15 Subsidiaries.

(a) Except as disclosed to the Administrative Agent by the Borrower and Holdings in writing from time to time after the Closing Date, (a) Schedule 4.15 sets forth the name and jurisdiction of organization of each Subsidiary of Holdings and, as to each such Subsidiary, the percentage of each class of Capital Stock owned by any Loan Party, and (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 Holdings or any Subsidiary, except as may be created by the Loan Documents.

(b) No Immaterial Subsidiary (a) holds assets representing more than 2.5% of the consolidated total assets of Holdings and its Subsidiaries (determined in accordance with GAAP), (b) has generated more than 2.5% of the consolidated total revenues of Holdings and its Subsidiaries determined in accordance with GAAP for the Test Period ending on the last day of the most recent period for which financial statements have been delivered after the Closing Date pursuant to Section 6.1(b); provided that all Subsidiaries that are individually an Immaterial Subsidiary do not have aggregate consolidated total assets that would represent 5.0% or more of the consolidated total assets of Holdings and its Subsidiaries nor have generated 5.0% or more of the consolidated total revenues of Holdings and its Subsidiaries for such Test Period, in each case determined in accordance with GAAP, or (c) owns any material Intellectual Property.

4.16 Use of Proceeds. The proceeds of the Term Loans shall be used to refinance the obligations of Holdings and its Subsidiaries outstanding under the Existing Credit Facility, to pay related fees and expenses and for general corporate purposes and any other use not prohibited by this Agreement. Proceeds of the Revolving Loans, Swingline Loans and the Letters of Credit shall be used for general corporate purposes and any other use not prohibited by this Agreement.

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

(a) Except as disclosed on Schedule 4.17, the facilities and properties owned, leased or operated by any Group Member (the “**Properties**”) do not contain, and have not previously contained, 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 Group Member has received or is aware of any notice of violation, alleged violation, non-compliance, liability or potential liability regarding environmental matters or compliance with Environmental Laws with regard to any of the Properties or the business operated by any Group Member (the “**Business**”), nor does Holdings or the Borrower have knowledge or reason to believe that any such notice will be received or is being threatened;

(c) no Group Member has transported or disposed of Materials of Environmental Concern from the Properties in violation of, or in a manner or to a location that could reasonably be expected to give rise to liability under, any Environmental Law, nor has any Group Member generated, treated, stored or disposed of Materials of Environmental Concern at, on or under any of the Properties in violation of, or in a manner that could reasonably be expected to give rise to liability under, any applicable Environmental Law;

(d) no judicial proceeding or governmental or administrative action is pending or, to the knowledge of Holdings or the Borrower, threatened, under any Environmental Law to which any Group Member is or will 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, or other administrative or judicial requirements outstanding under any Environmental Law with respect to the Properties or the Business;

(e) there has been no release or threat of release of Materials of Environmental Concern at or from the Properties arising from or related to the operations of any Group Member or otherwise in connection with the Business, in violation of or in amounts or in a manner that could reasonably be expected to give rise to liability under Environmental Laws;

(f) the Properties and all operations of the Group Members at the Properties are in compliance, and have in the last five years been in compliance, with all applicable Environmental Laws, and except as set forth on Schedule 4.17, to the knowledge of Holdings or the Borrower, there is no contamination at, under or about the Properties or violation of any Environmental Law with respect to the Properties or the Business; and

(g) no Group Member has assumed any liability of any other Person under Environmental Laws.

4.18 Accuracy of Information, etc. No statement or information contained in this Agreement, any other Loan Document or any other document, certificate or statement furnished by or on behalf of any Loan Party to the Administrative Agent or the Lenders, or any of them, for use in connection with the transactions contemplated by this Agreement or the other Loan Documents, when taken as a whole (after giving effect to any updates by the Borrower), contained as of the date such statement, information, document or certificate was so furnished, any untrue statement of a material fact or omitted to state a material fact necessary to make the statements contained herein or therein, when taken as a whole (after giving effect to any updates by the Borrower), not materially misleading. 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 Lenders 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 Administrative Agent and the Lenders for use in connection with the transactions contemplated hereby and by the other Loan Documents.

4.19 Security Documents.

(a) The Guarantee and Collateral Agreement is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds thereof. 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 the Section 8-102(a)(15) of the New York UCC or the corresponding code or statute of any other applicable jurisdiction (“*Certificated Securities*”), when certificates representing such Pledged Stock are delivered to the Administrative Agent, 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(a) in appropriate form are filed in the offices specified on Schedule 4.19(a), the Administrative Agent, for the benefit of the Secured Parties, 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 each case prior and superior in right to any other Person to the extent such Lien can be perfected by such actions or filings (except, in the case of Collateral other than Pledged Stock, Liens permitted by Section 7.3 to have priority over the Lien of the Administrative Agent). As of the Closing Date, none of the Borrower, Intermediate Holdings, Holdings or any Guarantor that is a limited liability company or partnership has any Capital Stock that is a not Certificated Security.

(b) Each of the Mortgages delivered after the Closing Date will be, upon execution, effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, 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.

(c) The PC Documents delivered by any PC Entity to any Loan Party pursuant to this Agreement are (or, to the extent executed after the Closing Date, shall, upon execution and delivery thereof, be) effective to create in favor of each applicable Loan Party, a legal, valid and enforceable first priority security interest in the Collateral (as defined therein (or any similarly defined term as defined therein)) (including cash and deposit accounts) and proceeds thereof of such PC Entity, and (i) when all appropriate filings or recordings are made in the appropriate offices as may be required under applicable law and (ii) upon the taking of possession or control by the applicable Loan Party of any such Collateral (or such similarly defined term) with respect to which a security interest may be perfected only by possession or control (which possession or control shall be given to the applicable Loan Party to the extent required by any PC Document), the Liens created by each such PC Document will constitute perfected Liens on all right, title and interest of such Loan Party in such Collateral (or such similarly defined term), in each case, free and clear of all Liens (other than the Liens created under the PC Documents).

4.20 Solvency; Voidable Transaction. Each Loan Party is, and after giving effect to the incurrence of all Indebtedness, Obligations and obligations being incurred in connection herewith will be, and will continue to 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 Designated Senior Indebtedness. The Loan Documents and all of the Obligations have been deemed “Designated Senior Indebtedness” or a similar concept thereto, if applicable, for purposes of any other Indebtedness of the Loan Parties.

4.23 Beneficial Ownership. To the extent applicable to the Loan Parties, the information included in the Beneficial Ownership Certification with respect to the Loan Parties provided on or prior to the Closing Date to any Lender in connection with this Agreement is true and correct in all material respects.

4.24 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 there exists no default under any requirement of such insurance. Each Loan Party maintains insurance with financially sound and reputable insurance companies on all its property (and also with respect to its foreign receivables) in at least such amounts and against at least such risks (but including in any event public liability, product liability, and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business.

4.25 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.

4.26 Health Care Laws.

(a) None of the Loan Parties, any Subsidiary or any of the PC Entities is or, during the past three years, has been in violation of any Health Care Laws, except where such violation would reasonably be expected to have a Material Adverse Effect.

(b) Each Loan Party, each Subsidiary and each of the PC Entities has, to the extent required by applicable Health Care Laws, all licenses, consents, certificates, permits, authorizations, approvals, franchises, registrations, qualifications and other rights from, and has made all declarations and filings with, all applicable Governmental Authorities (each, an “*Authorization*”) necessary to engage in the business conducted by it, except where the failure to have such Authorization or make such declaration or filing would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Loan Parties, no Governmental Authority has threatened in writing to limit, suspend or revoke any such Authorization, in each case, except for such Authorizations with respect to which the failure to obtain would not reasonably be expected to have a Material Adverse Effect. All such Authorizations are valid and in full force and effect and the Loan Parties, their Subsidiaries and the PC Entities are in compliance with the terms and conditions of all such Authorizations and with the laws and regulations of the Governmental Authority having jurisdiction with respect to such Authorizations, except where failure to be in such compliance or for an Authorization to be valid and in full force and effect would not reasonably be expected to have a Material Adverse Effect.

(c) As of the Closing Date, no Loan Party, nor any Subsidiary thereof or any PC Entity, as applicable, participates in or contracts with any Third Party Payor Program.

(d) Each Loan Party, each of their Subsidiaries and each PC Entity has received and maintains accreditation in good standing and without limitation or impairment by all applicable accrediting organizations, to the extent required by applicable Health Care Laws except where failure to maintain such accreditations in good standing and without limitation or impairment would not reasonably be expected to have a Material Adverse Effect.

(e) Each Loan Party, each Subsidiary, each PC Entity and any physician or other licensed medical personnel employed or engaged by any Loan Party or PC Entity (collectively, their “*Licensed Personnel*”) who perform professional medical services for or on behalf of any of the Loan Parties, their Subsidiaries and the PC Entities currently are and during the past three years, have been in compliance with all applicable Health Care Laws, except where the failure to comply would not reasonably be expected to have a Material Adverse Effect. The Licensed Personnel hold in full force and effect all licenses, permits and other Authorizations that are required for such Licensed Personnel to provide the services provided by such Licensed Personnel to the Loan Parties and the PC Entities, and, to the knowledge of Holdings or the Borrower, no suspension, revocation or cancellation of any such license, permit or other Authorization is threatened in writing, except, in each case, as would not reasonably be expected to have a Material Adverse Effect.

(f) None of the Loan Parties nor, any PC Entity or any of the Licensed Personnel has received any written notice from any Governmental Authority (the subject of which notice is unresolved), nor to the knowledge of Holdings or the Borrower, is there currently any actual or threatened in writing investigation, inquiry, or administrative or judicial action, hearing, or enforcement proceeding by any

Governmental Authority against any Loan Party, any PC Entity or any of their respective Licensed Personnel, regarding any violation of applicable Health Care Laws, except for such investigations, inquiries, or administrative or judicial actions, hearings, or enforcement proceedings that, individually and in the aggregate, would not reasonably be expected to result in a Material Adverse Effect.

(g) No Loan Party, Subsidiary or PC Entity is in default of, or has breached, any provision of any PC Document to which it is a party which would reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect.

(h) Each Loan Party, Subsidiary and PC Entity is and, during the past three years, has been in compliance with HIPAA (to the extent applicable to such Person), except where a failure to so comply would not reasonably be expected to have a Material Adverse Effect.

4.27 Capitalization. Schedule 4.27 sets forth the beneficial owners of all Capital Stock of Holdings and its Subsidiaries, and the amount of Capital Stock held by each such owner, as of the Closing Date.

4.28 OFAC. Neither Holdings nor any of its Subsidiaries, nor, to the knowledge of Holdings or any such Subsidiary, any director, officer, employee, agent, affiliate or representative thereof, is an individual or an entity that is, or is owned or controlled by an individual or entity that is (a) currently the subject of any Sanctions, or (b) located, organized or resident in a Designated Jurisdiction.

4.29 Anti-Corruption Laws. Each of Holdings and its Subsidiaries have conducted their businesses in compliance with applicable anti-corruption laws and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

4.30 Holding Companies. Holdings and Intermediate Holdings are each holding companies and do not have any material liabilities (other than liabilities arising under the Loan Documents), own any material assets (other than the Capital Stock of their Subsidiaries) or engage in any operations or business (other than the ownership of their Subsidiaries).

Section 5 CONDITIONS PRECEDENT

5.1 Conditions to Initial Credit Extension. The effectiveness of this Agreement and the obligation of each Lender to make its initial Credit Extension hereunder shall be subject to the satisfaction, prior to or concurrently with the making of such Credit Extension on the Closing Date, of the following conditions precedent:

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

(i) this Agreement, executed and delivered by the Administrative Agent, Holdings, Intermediate Holdings, the Borrower and each Lender listed on Schedule 1.1;

(ii) the Collateral Information Certificate, executed by a Responsible Officer;

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

(iv) if required by any Revolving Lender, a Revolving Loan Note executed by the Borrower in favor of such Revolving Lender;

(v) if required by the Swingline Lender, the Swingline Loan Note executed by the Borrower in favor of such Swingline Lender;

- (vi) the Guarantee and Collateral Agreement, executed and delivered by each grantor named therein;
- (vii) each Intellectual Property Security Agreement, executed by the applicable grantor related thereto;
- (viii) each other Security Document, executed and delivered by the applicable Loan Party party thereto; and
- (ix) the Flow of Funds Agreement, executed by the Borrower.

(b) **[Reserved.]**

(c) **Pro Forma Financial Statements; Financial Statements; Projections.** The Lenders shall have received (i) the Pro Forma Financial Statements, (ii) audited consolidated financial statements of Holdings and its Subsidiaries as of December 31, 2021 and December 31, 2020, and (iii) unaudited interim consolidated financial statements of Holdings and its Subsidiaries for each Fiscal Quarter ended after the date of the latest applicable financial statements delivered pursuant to clause (ii) of this paragraph and at least 45 days before the Closing Date.

(d) **Approvals.** 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.

(e) **Secretary's or Managing Member's Certificates; Certified Operating Documents; Good Standing Certificates.** The Administrative Agent shall have received (i) a certificate of each Loan Party, dated the Closing Date and executed by the Secretary, Managing Member 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 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, and (ii) a long form good standing certificate for each Loan Party from its respective jurisdiction of organization.

(f) **Responsible Officer's Certificates.**

(i) The Administrative Agent shall have received a certificate signed by a Responsible Officer of Holdings, 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 each 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 Administrative Agent shall have received a certificate signed by a Responsible Officer of the Borrower, in form and substance reasonably satisfactory to it, certifying that (A) the conditions specified in Section 5.1(o) and (p) have been satisfied, (B) the conditions specified in Sections 5.2(a) and (b) have been satisfied and (C) there has been no event or circumstance since December 31, 2021, that has had or that could reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(g) **Patriot Act, Etc.** The Administrative Agent and each Lender shall have received, prior to the Closing Date, all documentation and other information requested to comply with applicable "know your customer" and anti-money-laundering rules and regulations, including the Patriot Act, and a properly completed and signed IRS Form W-8 or W-9, as applicable, for each Loan Party. To

the extent any Loan Party qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, the Administrative Agent shall have received a Beneficial Ownership Certification in relation to such Loan Party, to the extent reasonably requested in advance of the Closing Date.

(h) **Due Diligence Investigation.** The Administrative Agent shall have completed a due diligence investigation of Holdings and its Subsidiaries in scope, and with results, satisfactory to the Administrative Agent and shall have been given such access to the management, records, books of account, contracts and properties of Holdings and its Subsidiaries and shall have received such financial, business and other information regarding each of the foregoing Persons and businesses as it shall have requested.

(i) **[Reserved].**

(j) **Existing Credit Facility, Etc.** (A) the Administrative Agent shall have received the Payoff Letter executed by the Existing Agent and the Borrower, (B) all obligations of the Group Members in respect of the Existing Credit Facility shall, substantially contemporaneously with the funding of certain Loan proceeds on the Closing Date directly to the Existing Agent as contemplated by Sections 2.2 and 2.5 and the Flow of Funds Agreement, have been paid in full, (C) the Administrative Agent shall be satisfied that all actions necessary to terminate the agreements evidencing the obligations of the Group Members in respect of the Existing Credit Facility and the Liens of the Existing Agent in the assets of the Group Members securing obligations under the Existing Credit Facility shall have been, or substantially contemporaneously with the Closing Date, shall be, taken, and (D) the Administrative Agent shall have received such other documents and information related to the Existing Credit Facility and the refinancing thereof as it may reasonably request.

(k) **Collateral Matters.**

(i) **Lien Searches.** The Administrative Agent shall have received the results of recent lien searches in each of the jurisdictions where any of the Loan Parties is formed or organized, and such searches shall reveal no liens on any of the assets of the Loan Parties except for Liens permitted by Section 7.3, Liens to be discharged on or prior to the Closing Date, or Liens securing obligations of the Group Members under the Existing Credit Facility, which Liens shall be discharged substantially contemporaneously with the Closing Date pursuant to the Payoff Letter.

(ii) **Pledged Stock; Stock Powers; Pledged Notes.** The Administrative Agent shall have received (A) the certificates representing the shares of Capital Stock pledged to the Administrative Agent (for the ratable benefit of the Secured Parties) pursuant to the Guarantee and Collateral Agreement, 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 Administrative Agent (for the ratable benefit of the Secured Parties) pursuant to the Guarantee and Collateral Agreement, endorsed (without recourse) in blank (or accompanied by an executed transfer form in blank) by the pledgor thereof.

(iii) **Filings, Registrations, Recordings, Agreements, Etc.** Each document (including any UCC financing statements, Intellectual Property Security Agreements, Deposit Account Control Agreements, Securities Account Control Agreements, and landlord access agreements and/or bailee waivers) required by the Security Documents or under law or reasonably requested by the Administrative Agent to be filed, registered or recorded to create in favor of the Administrative Agent (for the ratable benefit of the Secured Parties), 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 7.3 to have priority over the Lien of the Administrative Agent), shall have been executed and delivered to the Administrative Agent or, as applicable, be in proper form for filing, registration or recordation.

(l) **[Reserved.]**

(m) **Fees.** The Lenders and the Administrative Agent shall have received all fees required to be paid on or prior to the Closing Date (including pursuant to the Fee Letter), and all

reasonable and documented fees and expenses for which invoices have been presented (including the reasonable and documented fees and expenses of legal counsel to the Administrative Agent) for payment on or before the Closing Date. All such amounts will be paid with proceeds of Loans made on the Closing Date and will be reflected in the Flow of Funds Agreement.

(n) **Legal Opinions.** The Administrative Agent shall have received the executed legal opinion of McDermott Will & Emery LLP, counsel to the Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent.

(o) **Liquidity.** The Borrower shall have at least \$8,000,000 of Liquidity as of the Closing Date, after giving effect to the funding of the initial Loans on the Closing Date and to the consummation of the transactions contemplated hereby.

(p) **Consolidated Leverage Ratio.** The Consolidated Leverage Ratio of Holdings and its Subsidiaries as of the Closing Date shall be less than or equal to 1.75:1.00 (based upon *pro forma* financial statements as of and for the period ending June 30, 2022), after giving effect to the funding of the initial Loans on the Closing Date and to the consummation of the transactions contemplated hereby.

(q) **Borrowing Notices.** The Administrative Agent shall have received, (i) in respect of the Term Loan to be made on the Closing Date, a completed Notice of Borrowing executed by the Borrower and otherwise complying with the requirements of Section 2.2, and (ii) in respect of any Revolving Loans to be made on the Closing Date, a completed Notice of Borrowing executed by the Borrower and otherwise complying with the requirements of Section 2.5.

(r) **Solvency Certificate.** The Administrative Agent shall have received a Solvency Certificate from the chief financial officer or treasurer of Holdings and the Borrower.

(s) **No Material Adverse Effect.** There shall not have occurred since December 31, 2021 any event or condition that has had or could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(t) **No Litigation.** No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Group Member, threatened, that could reasonably be expected to have a Material Adverse Effect.

(u) **Compliance with Law.** Each Group Member 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 would not reasonably be expected to result in a Material Adverse Effect, or (ii) the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect.

(v) **PC Documents.** The Administrative Agent shall have received copies of each PC Document, together with a certificate of a Responsible Officer of the Borrower certifying each such document as being a true, correct, and complete copy thereof, in each case in form and substance reasonably satisfactory to the Administrative Agent.

For purposes of determining compliance with the conditions specified in this Section 5.1, each Lender that has executed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter either sent (or made available) by the Administrative Agent to such Lender for consent, approval, acceptance or satisfaction, or required thereunder to be consented to or approved by or acceptable or satisfactory to such Lender, unless an officer of the Administrative Agent responsible for the transactions contemplated by the Loan Documents shall have received notice from such Lender prior to the Closing Date specifying such Lender's objection thereto and either such objection shall not have been withdrawn by notice to the Administrative Agent to that effect on or prior to the Closing Date or, if any Credit Extension on the Closing Date has been

requested, such Lender shall not have made available to the Administrative Agent on or prior to the Closing Date such Lender's Revolving Percentage or Term Percentage, as the case may be, of such requested Credit Extension.

5.2 Conditions to Each Credit Extension. The agreement of each Lender to make any Credit Extension requested to be made by it on any date (including its initial Credit Extension) is subject to the satisfaction of the following conditions precedent:

(a) **Representations and Warranties.** Each of the representations and warranties made by each Loan Party in or pursuant to any Loan Document (i) that is qualified by materiality shall be true and correct, and (ii) that is not qualified by materiality, shall be true and correct in all material respects, in each case, 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 in all material respects or in all respects, as applicable, as of such earlier date.

(b) **No Default.** No Default or Event of Default shall have occurred as of or on such date or after giving effect to the Credit Extension requested to be made on such date.

(c) **Availability.** With respect to any requests for any Revolving Extensions of Credit, after giving effect to such Revolving Extension of Credit, the availability and borrowing limitations specified in Section 2.4 shall be complied with.

(d) **Notices of Borrowing.** The Administrative Agent shall have received a Notice of Borrowing in connection with any such request for Credit Extension which complies with the requirements hereof.

(e) **Liquidity.** With respect to any requests for any Revolving Extensions of Credit, at the time of and immediately after giving effect to such Revolving Extension of Credit (including the application of proceeds thereof, the Liquidity of Holdings and its Subsidiaries, as of such date, shall not be less than the amount set forth below opposite such period that such date falls under (such compliance to be determined on the basis of a certificate of a Financial Officer setting forth the calculation evidencing compliance hereof):

<u>Period</u>	<u>Minimum Liquidity</u>
From the Third Amendment Effective Date to March 31, 2025	\$3,000,000.00
From April 1, 2025 to April 30, 2025	\$5,000,000.00
From May 1, 2025 onwards	\$7,500,000.00

(i) during the Monthly Liquidity Testing Period, permit the Liquidity of Holdings and its Subsidiaries, as of the close of business on the last calendar day of any calendar month, to be less than the amount set forth below opposite such calendar month (such compliance to be determined on the basis of the most recent Monthly Liquidity Report received by the Administrative Agent pursuant to Section 6.2(i) for such calendar month:

<u>Calendar Month Ending</u>	<u>Minimum Liquidity</u>
April 30, 2025	\$5,000,000.00
May 31, 2025 and the last day of each calendar month thereafter	\$7,500,000.00

Each borrowing by and issuance of a Letter of Credit on behalf of the Borrower hereunder, each Revolving Loan Conversion and each conversion of a Term Loan shall constitute a representation and warranty by the Borrower as of the date of such Credit Extension, Revolving Loan Conversion or conversion of a Term Loan, as applicable, that the conditions contained in this Section 5.2 have been satisfied.

5.3 Post-Closing Conditions Subsequent. The Borrower shall satisfy each of the conditions subsequent to the Closing Date specified on Schedule 5.3, in each case by no later than the date specified therein (as may be extended by the Administrative Agent in its sole discretion) and in form and substance reasonably satisfactory to the Administrative Agent.

Section 6 AFFIRMATIVE COVENANTS

Holdings, Intermediate Holdings and the Borrower hereby jointly and severally agree that, at all times prior to the Discharge of Obligations, each of Holdings, Intermediate Holdings and the Borrower shall, and, where applicable, shall cause each of its Subsidiaries to:

6.1 Financial Statements. Furnish to the Administrative Agent, with sufficient copies for distribution to each Lender:

(a) as soon as available, but in any event within 90 days after the end of each Fiscal Year of the Borrower (or, if Holdings has been granted an extension by the SEC with respect to any Fiscal Year permitting the late filing by Holdings of any annual report on form 10-K, the earlier of (x) 120 days after the end of such Fiscal Year and (y) the last day of such extension period), a copy of the audited consolidated and consolidating balance sheet of Holdings and its Subsidiaries as at the end of such Fiscal Year and the related audited consolidated and consolidating statements of income and of cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous year, reported on without a “going concern” or like qualification or exception, or qualification arising out of the scope of the audit, by Grant Thornton or other independent certified public accountants of nationally recognized standing and reasonably acceptable to the Administrative Agent;

(b) as soon as available, but in any event within 45 days after the end of each Fiscal Quarter of the Borrower (or, if Holdings has been granted an extension by the SEC with respect to any Fiscal Quarter permitting the late filing by Holdings of any quarterly report on form 10-Q, the earlier of (x) 60 days after the end of such Fiscal Quarter and (y) the last day of such extension period), the unaudited consolidated and consolidating balance sheet of Holdings and its Subsidiaries as at the end of such Fiscal Quarter and the related unaudited consolidated and consolidating statements of income and of cash flows for such Fiscal Quarter and the portion of the Fiscal Year through the end of such Fiscal Quarter, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments);

(c) as soon as available, but in any event within 45 days after the end of each calendar month (or, with respect to the calendar month ended January 31, 2025, 73 days after the end of such month), commencing with the calendar month ended January 31, 2025 and until the Maturity Date, the unaudited consolidated and consolidating balance sheet of Holdings and its Subsidiaries as at the end of such month and the related unaudited consolidated and consolidating statements of income and of cash flows for such month and the portion of the Fiscal Year through the end of such month, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year-end audit adjustments), including a “key performance indicator” report for such month, which shall include month-end Unrestricted Cash and number of cases per facility; and

(d) solely with respect to any Test Period during which the Consolidated Leverage Ratio (as set forth in the most recent Compliance Certificate received by the Administrative Agent

pursuant to Section 6.2(b)) is equal to or greater than 2.50:1.00, commencing with the first Business Day after such Test Period and on a weekly basis, a thirteen-week cash flow forecast, which shall reflect the Borrower's good faith projection of all weekly cash receipts and disbursements in connection with the operation of their business for the following thirteen-week period, all in form reasonably satisfactory to the Administrative Agent, which shall outline the upcoming thirteen-week period commencing with the week immediately preceding the week in which such cash-flow forecast is delivered to the Administrative Agent; provided that forecasts will include (i) comparisons to the prior forecasts, (ii) comparisons to the actual disbursements made and receipts received, and (iii) an outline of the upcoming thirteen week period commencing with the week immediately preceding the week in which such cash-flow forecast is delivered to the Administrative Agent.

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 as approved by such accountants or officer, as the case may be, and disclosed in reasonable detail therein) consistently throughout the periods reflected therein and with prior periods.

Notwithstanding the generality of the foregoing, documents required to be delivered pursuant to this Section 6.1 and Section 6.2(e) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so, shall be deemed to have been delivered on the date on which Holdings posts such documents, or provides a link thereto, either: (i) on Holdings' website on the Internet at the website address listed in Section 10.2; or (ii) when such documents are posted electronically on Holdings' behalf on an internet or intranet website to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent), if any; provided that the Borrower shall notify (which may be by facsimile or electronic mail) the Administrative Agent and each Lender of the posting of any such documents and provide to the Administrative Agent by email electronic versions (*i.e.* soft copies) of such documents.

6.2 Certificates; Reports; Other Information. Furnish (or, in the case of clause (a), use commercially reasonable efforts to furnish) to the Administrative Agent, for distribution to each Lender (or, in the case of clause (k), to the relevant Lender):

(a) concurrently with the delivery of the financial statements referred to in Section 6.1(a), a certificate of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of any financial statements pursuant to Section 6.1, (i) a certificate of a Responsible Officer stating that, to the best of 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 and (ii) in the case of quarterly or annual financial statements, (x) a Compliance Certificate containing all information and calculations necessary for determining compliance by each Group Member with the provisions of this Agreement referred to therein as of the last day of the month, Fiscal Quarter or Fiscal Year of the Borrower, as the case may be, and (y) to the extent not previously disclosed to the Administrative Agent, a description of any change in beneficial ownership or the jurisdiction of organization of any Loan Party, and a list of any Intellectual Property issued to or acquired by any Loan Party since the date of the most recent report delivered pursuant to this clause (y) (or, in the case of the first such report so delivered, since the Closing Date);

(c) as soon as available, and in any event no later than 45 days after the end of each Fiscal Year of the Borrower (and within 15 days of any updates thereto), a detailed consolidated budget for the following Fiscal Year (including a projected consolidated balance sheet of Holdings and its Subsidiaries as of the end of each Fiscal Quarter of such Fiscal Year, the related consolidated statements

of projected cash flow, projected changes in financial position and projected income and a description of the underlying assumptions applicable thereto, consistent with the Borrower's historical reporting practices), and, as soon as available, significant revisions, if any, of such budget and projections with respect to such Fiscal Year (collectively, the "**Projections**"), which Projections shall in each case be accompanied by a certificate of a Responsible Officer stating that such Projections are based on reasonable estimates, information and assumptions and that such Responsible Officer has no reason to believe that such Projections are incorrect or misleading in any material respect;

(d) promptly, and in any event within five 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 or other inquiry 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 Holdings' filings with the SEC);

(e) within five days after the same are sent, copies of each annual report, proxy or financial statement or other material report that Holdings sends to the holders of any class of Holdings' debt securities or public equity securities and, within five days after the same are filed, copies of all annual, regular, periodic and special reports and registration statements which Holdings may file with the SEC under Section 13 or 15(d) of the Exchange Act, or with any national securities exchange, and not otherwise required to be delivered to the Administrative Agent pursuant hereto;

(f) upon written request by the Administrative Agent, within five days after the same are sent or received, copies of all correspondence, reports, documents and other filings with any Governmental Authority regarding non-compliance with any Governmental Approvals or Requirements of Law, which could reasonably be expected to have a Material Adverse Effect;

(g) concurrently with the delivery of the financial statements referred to in Section 6.1(a), updated insurance certificates evidencing the insurance coverage required to be maintained pursuant to Section 6.6, together with any supplemental reports with respect thereto which the Administrative Agent may reasonably request;

(h) promptly, such additional financial and other information, including, without limitation, any certification or other evidence confirming Borrower's compliance with the terms of this Agreement, as the Administrative Agent or any Lender may from time to time reasonably request; and

(i) during the Monthly Liquidity Testing Period, as soon as available, but in any event within 15 days after the end of each calendar month (commencing with the calendar month ending March 31, 2025), a report setting forth the calculations evidencing compliance with Section 7.1(c)(ii) as of the close of business on the last calendar day of such calendar month, as certified on behalf of the Borrower by a Responsible Officer of the Borrower (a "**Monthly Liquidity Report**").

6.3 [Reserved].

6.4 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 of whatever nature, including 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 or, with respect to Indebtedness, where such failure would not result in an Event of Default pursuant to Section 8.1(e).

6.5 Maintenance of Existence; Compliance. (a)(i) Preserve, renew and keep in full force and effect its organizational existence and (ii) take all reasonable action to maintain or obtain all Governmental Approvals and all other rights, privileges and franchises necessary or desirable 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 7.4 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 Contractual Obligations (including with respect to leasehold interests

of the Borrower) and Requirements of Law except to the extent that failure to comply therewith could not, in the aggregate, reasonably be expected to have a Material Adverse Effect; (c) comply 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 would not reasonably be expected to result in a Material Adverse Effect, or (ii) the failure to comply therewith, either individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect; (d) 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; and (e) perform and observe in all material respects all the terms and provisions of each Material Contract to which it is a party or any of its property is bound. Without limiting the generality of the foregoing, the Borrower shall, and shall cause each of its ERISA Affiliates to: (1) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code or other Federal or state 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) not become a party to any Multiemployer Plan; (5) ensure that all liabilities under each Plan are either (x) funded to at least the minimum level required by law or, if higher, to the level required by the terms governing such Plan; (y) insured with a reputable insurance company; or (z) provided for or recognized in the financial statements most recently delivered to the Administrative Agent and the Lenders pursuant hereto; 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 and applicable law.

6.6 Maintenance of Property; Insurance. (a) Keep all property useful and necessary in its business in good working order and condition, ordinary wear and tear excepted and (b) maintain with financially sound and reputable insurance companies insurance on all its property (and also with respect to its foreign receivables) in at least such amounts and against at least such risks (but including in any event public liability, product liability, business interruption, worker's compensation, medical malpractice) as are usually insured against in the same general area by companies engaged in the same or a similar business.

6.7 Inspection of Property; Books and Records; Discussions. (a) Keep proper books of records and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities and (b) permit representatives and independent contractors of the Administrative Agent (and accompanied by any Lender) to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired and to discuss the business, operations, properties and financial and other condition of the Group Members with officers, directors and employees of the Group Members and with their independent certified public accountants (which discussions with such auditors shall include representatives of the Borrower); provided, that such audits and inspections shall not be undertaken more frequently than once per year unless an Event of Default has occurred and is continuing; provided further that audits and inspections shall be at Borrower's expense and the charges therefore shall be no greater than \$1,000 per person (or such higher amount as shall represent the Administrative Agent's then-current standard charge for the same) or \$15,000 per inspection, plus reasonable and documented out-of-pocket expenses), unless an Event of Default has occurred and is continuing.

6.8 Notices. Give prompt written notice to the Administrative Agent:

(a) the occurrence of any Default or Event of Default;

(b) any (i) default or event of default under any Contractual Obligation of any Group Member or (ii) litigation, investigation or proceeding that may exist at any time between any Group Member and any Governmental Authority, that in either case, if not cured or if adversely determined, as the case may be, could reasonably be expected to have a Material Adverse Effect;

(c) any litigation or proceeding affecting any Group Member, any PC Entity or any of their respective businesses, properties or assets (i) in which the amount involved is in excess of the

Threshold Amount and not covered by insurance, (ii) in which injunctive or similar relief is sought against any Group Member 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 ERISA Events affecting the Borrower or any ERISA Affiliate (but in no event more than 10 days after such event), the occurrence of any of the following ERISA Events, and shall provide the Administrative Agent 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 Governmental Authority to the Borrower or any ERISA Affiliate with respect to such event: (A) an ERISA Event, (B) the adoption of any new Pension Plan by the Borrower or any ERISA Affiliate, (C) the adoption of any amendment to a Pension Plan, if such amendment will result in a material increase in benefits or unfunded benefit liabilities (as defined in Section 4001(a)(18) of ERISA), or (D) the commencement of contributions by the Borrower or any ERISA Affiliate to any Plan that is subject to Title IV of ERISA or Section 412 of the Code; and

(e) (ii) (A) promptly after the giving, sending or filing thereof, or the receipt thereof, copies of (1) each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) filed by Holdings or any of its ERISA Affiliates with the IRS with respect to each Pension Plan, (2) all notices received by Holdings or any of its ERISA Affiliates from a Multiemployer Plan sponsor concerning an ERISA Event, and (3) copies of such other documents or governmental reports or filings relating to any Plan as the Administrative Agent shall reasonably request; and (B), without limiting the generality of the foregoing, such certifications or other evidence of compliance with the provisions of Sections 4.13 and 7.9 as any Lender (through the Administrative Agent) may from time to time reasonably request;

(f) (i) any Asset Sale undertaken by any Group Member, (ii) any issuance by any Group Member of any Capital Stock, (iii) any incurrence by any Group Member of any Indebtedness (other than Indebtedness constituting Loans) in a principal amount equaling or exceeding \$1,000,000, 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 such Group Member in connection therewith;

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

(h) any Loan Party, any Subsidiary or, to the knowledge of the Loan Parties, any PC Entity or any of their respective Licensed Personnel is currently, or hereafter becomes, subject to any federal, state, local governmental civil or criminal investigations, inquiries or audits involving and/or related to its compliance with Health Care Laws which, if adversely determined, would reasonably be expected to have a Material Adverse Effect;

(i) any written charges of licensing violations under applicable Health Care Laws involving any Loan Party, any Subsidiary or any PC Entity which, if not timely corrected, would reasonably be expected to have a Material Adverse Effect;

(j) any fines or penalties imposed by any Governmental Authority under any Health Care Law against any Loan Party, any Subsidiary, any PC Entity or, to the knowledge of any Loan Party, any Licensed Personnel, which would reasonably be expected to have a Material Adverse Effect;

(k) any written allegations by any Governmental Authority (or any agent thereof) of fraudulent activities in violation of applicable Health Care Laws of any Loan Party, any Subsidiary, any PC Entity or, to the knowledge of any Loan Party, any Licensed Personnel, which if adversely determined, would reasonably be expected to have a Material Adverse Effect;

(l) any enforcement action taken by or on behalf of any Loan Party or any Subsidiary under any Continuity Agreement, specifying the nature and extent thereof; and

- (m) any development or event that has had or could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 6.8 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.

6.9 Environmental Laws.

(a) Except as would not reasonably be expected to have a Material Adverse Effect, comply with, and use 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 use commercially reasonable efforts to ensure that all tenants and subtenants obtain and comply with and maintain, any and all licenses, approvals, notifications, registrations or permits required by applicable Environmental Laws.

(b) Except as would not reasonably be expected to have a Material Adverse Effect, conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other corrective actions required under Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities regarding Environmental Laws; provided, however, that Holdings and the Borrower shall not be required to undertake any such actions to the extent that their obligation to do so is being contested in good faith and by proper proceedings (and the prosecution of such contest would not reasonably be expected to result in a Material Adverse Effect) and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

6.10 Controlled Accounts.

(a) Within 90 days after the Closing Date, open and maintain each Loan Party's primary Deposit Accounts and Securities Accounts with SVB or with SVB's Affiliates and all other domestic Deposit Accounts and Securities Accounts with a Lender of an Affiliate thereof.

(b) Within 90 days after the Closing Date, deliver to the Administrative Agent a Control Agreement with respect to each of the Deposit Accounts and Securities Accounts that are not Excluded Accounts and are set forth on Schedule 6.10. The Loan Parties may establish new Controlled Accounts so long as the Loan Parties deliver to the Administrative Agent a Control Agreement with respect to such Controlled Account within 90 days (or, if an Event of Default has occurred and is continuing, prior to the transfer or deposit of any funds or property to such account) after the creation of such Controlled Account.

6.11 Audits. At reasonable times, on one Business Day's notice (provided that no notice is required if an Event of Default has occurred and is continuing), the Administrative Agent, or its agents, shall have the right to inspect the Collateral and the right to audit and copy any and all of any Loan Party's books and records including ledgers, federal, state and other tax returns, records regarding assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information. The foregoing inspections and audits shall be at the Borrower's expense, and the charge therefor shall be \$1,000 per person per day (or such higher amount as shall represent the Administrative Agent's then-current standard charge for the same), plus reasonable out-of-pocket expenses. Such inspections and audits shall not be undertaken more frequently than once per year, unless an Event of Default has occurred and is continuing.

6.12 Additional Collateral, etc.

(a) With respect to any property (to the extent included in the definition of Collateral and not constituting Excluded Assets) acquired after the Closing Date by any Loan Party (other than any property described in paragraph (b), (c) or (d) below) as to which the Administrative Agent, for the benefit of the Secured Parties, does not have a perfected Lien, promptly (and in any event within 30 days

or such longer period as the Administrative Agent shall agree in its sole discretion) (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement or such other documents as the Administrative Agent deems necessary or advisable to evidence that such Loan Party is a Guarantor and to grant to the Administrative Agent, for the ratable benefit of the Secured Parties, a security interest in such property and (ii) take all actions necessary or advisable in the opinion of the Administrative Agent to grant to the Administrative Agent, for the ratable benefit of the Secured Parties, a perfected first priority (except with respect to Liens expressly permitted by Section 7.3 to have priority over the Lien of the Administrative Agent) security interest and Lien in such property, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent.

(b) With respect to any fee interest in any real property having a fair market value (together with improvements thereof) of at least \$1,000,000 acquired after the Closing Date by any Loan Party, promptly (and in any event within 90 days or such longer time period as the Administrative Agent may agree in its reasonable discretion), to the extent requested by the Administrative Agent, (i) execute and deliver a first priority Mortgage, in favor of the Administrative Agent, for the ratable benefit of the Secured Parties, covering such real property, (ii) if requested by the Administrative Agent, provide the Lenders with (x) title and extended coverage insurance covering such real property in an amount at least equal to the purchase price of such real property (or such other amount as shall be reasonably specified by the Administrative Agent) as well as a current ALTA survey thereof, together with a surveyor's certificate, and (y) any consents or estoppels reasonably deemed necessary or advisable by the Administrative Agent in connection with such Mortgage, each of the foregoing in form and substance reasonably satisfactory to the Administrative Agent and (iii) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(c) With respect to any new direct or indirect Material Domestic Subsidiary created or acquired after the Closing Date by any Loan Party (including pursuant to a Permitted Acquisition), or any new Subsidiary formed by Division, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the ratable benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such new Material Domestic Subsidiary that is owned directly or indirectly by such Loan Party, (ii) deliver to the Administrative Agent 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 representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Loan Party, (iii) cause such new Material Domestic Subsidiary (A) to become a party to the Guarantee and Collateral Agreement, (B) to take such actions as are necessary or advisable in the opinion of the Administrative Agent to grant to the Administrative Agent for the benefit of the Secured Parties a perfected first priority security interest in the Collateral described in the Guarantee and Collateral Agreement, with respect to such new Material Domestic Subsidiary, including the filing of Uniform Commercial Code financing statements in such jurisdictions as may be required by the Guarantee and Collateral Agreement or by law or as may be requested by the Administrative Agent and (C) to deliver to the Administrative Agent a certificate of such Material Domestic Subsidiary, in a form reasonably satisfactory to the Administrative Agent, with appropriate insertions and attachments, and (iv) if requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent; it being agreed that if such new Subsidiary is formed by a Division, the foregoing requirements shall be satisfied substantially concurrently with the formation of such Subsidiary.

(d) With respect to any new First Tier Foreign Subsidiary created or acquired after the Closing Date by any Loan Party, promptly (i) execute and deliver to the Administrative Agent such amendments to the Guarantee and Collateral Agreement, as the Administrative Agent deems necessary or advisable to grant to the Administrative Agent, for the benefit of the Secured Parties, a perfected first priority security interest in the Capital Stock of such new First Tier Foreign Subsidiary that is owned by any such Loan Party (provided that in the case of voting Capital Stock, in no event shall more than 65.0% of the total outstanding voting Capital Stock of any such new First Tier Foreign Subsidiary be required to

be so pledged to the extent the pledge of any greater percentage would result in material adverse tax consequences to Borrower or its equity holders (it being agreed that 100% of all such stock shall be pledged if a change in law eliminates such material adverse tax consequences)), (ii) deliver to the Administrative Agent the certificates representing such Capital Stock, together with undated stock powers, in blank, executed and delivered by a duly authorized officer of the relevant Loan Party, and take such other action (including, as applicable, the delivery of any foreign law pledge documents reasonably requested by the Administrative Agent) as may be necessary or, in the opinion of the Administrative Agent, desirable to perfect the Administrative Agent's security interest therein, and (iii) if reasonably requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent.

(e) At the request of the Administrative Agent, each Loan Party shall use commercially reasonable efforts to obtain a landlord's agreement or bailee letter, as applicable, from the lessor of each leased property or bailee with respect to any warehouse, processor or converter facility or other location where Collateral is stored or located, which agreement or letter shall contain a waiver or subordination of all Liens or claims that the landlord or bailee may assert against the Collateral at that location, and shall otherwise be reasonably satisfactory in form and substance to the Administrative Agent. Each Loan Party shall pay and perform its material obligations under all leases and other agreements with respect to each leased location or public warehouse where any Collateral is or may be located.

(f) The Loan Parties shall promptly upon the formation, acquisition or entering into any contractual relationship with any PC Entity (and in any event within 30 days after the formation or acquisition thereof (or such later date as may be agreed by the Administrative Agent in its sole discretion)), perform, or cause to be performed, all actions necessary to, and otherwise reasonably required by the Administrative Agent to, cause such PC Entity to become a Qualified PC Entity.

6.13 Compliance with Health Care Laws.

(a) Each Loan Party shall comply and cause its Subsidiaries and, to the extent required by applicable laws, each PC Entity to comply with all applicable Health Care Laws relating to the operation of such Person's business, except where non-compliance would not reasonably be expected to have a Material Adverse Effect.

(b) In the event that any Loan Party, any Subsidiary or any PC Entity participates in or contracts with any Third Party Payor Program, each Loan Party shall comply and cause its Subsidiaries and, to the extent required or permitted by applicable laws, each PC Entity to comply with all the applicable requirements of such Third Party Payor Program, except where non-compliance would not reasonably be expected to have a Material Adverse Effect.

(c) Each Loan Party shall maintain and cause its Subsidiaries and, to the extent permitted by applicable laws, each PC Entity to maintain all records required to be maintained by any Governmental Authority or otherwise under any Health Care Laws, except where the failure to maintain such records would not reasonably be expected to have a Material Adverse Effect.

(d) Each Loan Party shall keep in full force and effect and cause its Subsidiaries and, to the extent permitted by applicable laws, each PC Entity to keep in full force and effect all Authorizations required to operate such Person's business under applicable Health Care Laws, which, if not maintained, would reasonably be expected to have a Material Adverse Effect.

6.14 Use of Proceeds. Use the proceeds of each Credit Extension only for the purposes specified in [Section 4.16](#).

6.15 Designated Senior Indebtedness. Cause the Loan Documents and all of the Obligations (other than any such Obligations arising in connection with Cash Management Services) to be deemed "Designated Senior Indebtedness" or a similar concept thereto, if applicable, for purposes of any Indebtedness of the Loan Parties.

6.16 Anti-Corruption Laws. Conduct its business in compliance with all applicable anti-corruption laws and maintain policies and procedures designated to promote and achieve compliance with such laws.

6.17 Further Assurances. Execute any further instruments and take such further action as the Administrative Agent reasonably deems necessary to perfect, protect, ensure the priority of or continue the Administrative Agent's Lien on the Collateral or to effect the purposes of this Agreement.

6.18 PC Entities.

(a) The Borrower shall take all reasonable steps to not allow any event, condition or circumstance to occur that would result in a default under any of the PC Documents by any Loan Party, and shall take all reasonable steps to seek to enforce all of its rights under each PC Document, in each case, except where the failure to do so would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The Loan Parties shall maintain the security interest referred to in Section 4.19(c) hereof as a fully perfected and enforceable Lien in the collateral of each such PC Entity.

(b) The Borrower shall deliver to the Administrative Agent, promptly following the receipt thereof, any written notices of material defaults or notices of termination received from any PC Entity, or given by the Borrower to any PC Entity, under any PC Document.

(c) Promptly following the appointment of an additional holder of Capital Stock or a successor owner of any PC Entity as described in the Continuity Agreements, Borrower shall notify Agent of such appointment of such additional holder or successor owner and confirm the name of such additional holder or successor owner and that such Person (i) is licensed to practice medicine in the state in which such PC Entity has been formed and operates or otherwise eligible to be a holder of Capital Stock or a successor owner of such PC Entity under the applicable laws of such state, and (ii) is not excluded from participating in any federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)).

6.19 Equity Proceeds Collection Account.

(a) Within 10 days after the Third Amendment Effective Date, open and maintain the Collection Account with SVB or with SVB's Affiliates until (x) the prepayment obligation under Section 2.12(g) is satisfied and (y) all obligations under the Fund Guarantee are satisfied.

(b) Within 10 Business Days after the Third Amendment Effective Date (or longer period as the Administrative Agent may agree in its sole discretion), deliver to the Administrative Agent a Control Agreement with respect to the Collection Account in form and substance satisfactory to the Administrative Agent.

(c) Promptly, but in any event within 2 Business Days upon receipt of any Net Cash Proceeds (excluding any proceeds received from any Fund Guarantor) of any issuance of Capital Stock by the Group Members, transfer such proceeds to the Collection Account until the prepayment obligation under Section 2.12(g) is satisfied.

6.20 Financial Advisor.

(a) As soon as possible following the Third Amendment Effective Date but in any event within 30 days after the Third Amendment Effective Date, the Administrative Agent (and, if applicable, the Required Lenders) or counsel thereto shall be entitled to enter into a written agreement to retain a Financial Advisor the scope of work of which shall include but not limit to (and in any case reasonably satisfactory to the Administrative Agent): (i) reviewing and assessing the business plan (including management team), forecasts and financial statements, (ii) reviewing and assessing the cash flow and liquidity forecasts (including the thirteen week cash flow forecasts, working capital and cash positions), (iii) prepare sensitized scenarios, including but not limited to stress cases and down cases, to evaluate the potential impact of adverse conditions on the business and evaluate impacts on the "key performance indicators" (including but not limited to revenue, Consolidated EBITDA, indebtedness and liquidity) and (iv) other diligence items that may be reasonably requested by the Administrative Agent

and the Required Lenders; provided that the obligations of such Financial Advisor shall be performed within 90 days after the Third Amendment Effective Date (or such longer period as the Borrower may reasonably consent, which consent shall not unreasonably be withheld).

(b) Without limiting the Administrative Agent’s or the Lenders’ rights under this Agreement and other Loan Documents, the Borrower and the other Loan Parties hereby agree to: (i) give the Administrative Agent, the Lenders and their respective Representatives reasonable access during normal business hours to the offices, properties, officers, employees, accountants, auditors, counsel and other representatives, books and records of the Borrower and the other Loan Parties, (ii) furnish to the Administrative Agent, the Lenders and their respective Representatives such financial, operating and property related data and other information as such persons reasonably request, (iii) regularly consult with, and respond to the inquiries of, the Administrative Agent, the Lenders and their respective Representatives concerning any and all matters relating to the affairs, finances and businesses of the Borrower or any other Loan Party, the assets and capital stock of the Borrower or any other Loan Party (including, without limitation, communications outside the presence of any representatives of the Borrower or any other Loan Party or sponsor), (iv) provide the Administrative Agent, the Lenders and their respective Representatives copies of all reports, analyses and materials and (v) provide weekly updates on a conference call with the Administrative Agent, the Lenders and/or their respective Representatives and (iii) instruct the Borrower’s and any other Loan Party’s employees, management and financial advisors to cooperate reasonably with the Administrative Agent, the Lenders and their respective Representatives in respect of the aforementioned clauses (i) to (v) and clause (a) above. For purposes of this Section 6.20, the term “Representatives” shall mean the Administrative Agent’s or any Lender’s employees, agents, representatives, advisors and consultants (including any investment banker, Financial Advisor, accountant, legal counsel, agent, representative or expert retained by or acting on behalf the Administrative Agent and/or any Lender).

(c) The Borrower shall reimburse the Administrative Agent for any fees any expenses owing to the Financial Advisor to the extent incurred during the first 60 days of the engagement, all in accordance with Section 10.5(a).

**Section 7
NEGATIVE COVENANTS**

Holdings, Intermediate Holdings and the Borrower hereby jointly and severally agree that, at all times prior to the Discharge of Obligations, neither Holdings, Intermediate Holdings nor the Borrower shall, nor shall Holdings, Intermediate Holdings and the Borrower permit any of their respective Subsidiaries to, directly or indirectly:

7.1 Financial Condition Covenants.

(a) Consolidated Fixed Charge Coverage Ratio. Permit the Consolidated Fixed Charge Coverage Ratio of Holdings and its Subsidiaries as at the last day of any Test Period to be less than the ratios set forth below opposite such Fiscal Quarter, commencing with the Fiscal Quarter ending March 31, 2025:

<u>Fiscal Quarter Ending</u>	<u>Consolidated Fixed Charge Coverage Ratio</u>
March 31, 2025	0.50:1.00
June 30, 2025	1.10:1.00
September 30, 2025 and the last day of each Fiscal Quarter thereafter	1.25:1.00

(b)

(c) Consolidated Leverage Ratio. Permit the Consolidated Leverage Ratio of Holdings and its Subsidiaries as at the last day of any Test Period to exceed the ratio set forth below opposite such Fiscal Quarter, commencing with the Fiscal Quarter ending March 31, 2025:

<u>Fiscal Quarter Ending</u>	<u>Consolidated Leverage Ratio</u>
March 31, 2025	4.25:1.00
June 30, 2025	3.50:1.00
September 30, 2025	3.25:1.00
December 31, 2025	3.25:1.00
March 31, 2026	2.75:1.00
June 30, 2026 and the last day of each Fiscal Quarter thereafter	2.25:1.00

(d) Minimum Liquidity.

(i) Permit the Liquidity of Holdings and its Subsidiaries, as of the last day of each Fiscal Quarter, to be less than the amount set forth below opposite such Fiscal Quarter, commencing with the Fiscal Quarter ending March 31, 2025 (such compliance to be determined on the basis of the most recent Compliance Certificate received by the Administrative Agent pursuant to Section 6.2(b) for such Fiscal Quarter).

<u>Fiscal Quarter Ending</u>	<u>Minimum Liquidity</u>
March 31, 2025	\$3,000,000.00
June 30, 2025 and the last day of each Fiscal Quarter thereafter	\$7,500,000.00

(ii) during the Monthly Liquidity Testing Period, permit the Liquidity of Holdings and its Subsidiaries, as of the close of business on the last calendar day of any calendar month (commencing with the calendar month ending March 31, 2025), to be less than the amount set forth below opposite such calendar month (such compliance to be determined on the basis of the most recent Monthly Liquidity Report received by the Administrative Agent pursuant to Section 6.2(i) for such calendar month):

<u>Calendar Month Ending</u>	<u>Minimum Liquidity</u>
March 31, 2025	\$3,000,000.00
April 30, 2025	\$5,000,000.00
May 31, 2025 and the last day of each calendar month thereafter	\$7,500,000.00

7.2 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, including, for the avoidance of doubt, any Incremental Commitment and any Indebtedness under any Cash Management Agreement;

(b) intercompany Indebtedness between or among Holdings and any of its Subsidiaries; provided, that (i) the aggregate amount of all Indebtedness owing by any Subsidiary of Holdings that is not a Loan Party to any Loan Party (together with investments in Subsidiaries that are not Loan Parties permitted under Section 7.8(f)) shall not exceed \$5,000,000 (determined at the time of such incurrence) and (ii) unsecured Indebtedness owing by any Loan Party to any Subsidiary or Affiliate of such Loan Party that is not a Loan Party that is permitted pursuant to Section 7.8(f) shall be subordinated to the Obligations on terms reasonably acceptable to the Administrative Agent;

(c) Guarantee Obligations incurred in the ordinary course of business by Holdings and its Subsidiaries of obligations of (i) the Borrower any Subsidiary Guarantor and (ii) any Qualified PC Entity under an ordinary course merchant services agreement entered by such Qualified PC Entity in order to facilitate the processing of credit card payments constituting revenue of such Qualified PC;

(d) Indebtedness outstanding on the date hereof and listed on Schedule 7.2(d) and any refinancings, refundings, renewals or extensions thereof (which do not shorten the maturity thereof or increase the principal amount thereof);

(e) Indebtedness (including, without limitation, Capital Lease Obligations) secured by Liens permitted by Section 7.3(g) in an aggregate principal amount not to exceed \$1,000,000 at any one time outstanding and any refinancings, refundings, renewals or extensions thereof (which do not shorten the maturity thereof or increase the principal amount thereof);

(f) Indebtedness in respect of Permitted Earnouts; provided, that such earn-out obligations are subordinated in right of payment to the Obligations hereunder on terms and conditions reasonably satisfactory to the Administrative Agent;

(g) unsecured Indebtedness incurred by Holdings or any Subsidiary thereof (i) incurred in the ordinary course of business of such Loan Party and its Subsidiaries in respect of open accounts extended by suppliers on normal trade terms in connection with purchases of goods and services which are not overdue for a period of more than 90 days or, if overdue for more than 90 days, as to which a dispute exists and adequate reserves in conformity with GAAP have been established on the books of such Loan Party and (ii) in respect of performance, surety or appeal bonds provided in the ordinary course of business, but excluding (in each case) Indebtedness incurred through the borrowing of money or contingent liabilities in respect thereof;

(h) Indebtedness (i) arising from 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; provided, that such Indebtedness is extinguished within 10 Business Days of incurrence and/or (ii) in respect of Cash Management Services; provided, that such Indebtedness is unsecured or has been subordinated to the reasonable satisfaction of the Administrative Agent and is in an amount not to exceed \$50,000 in the aggregate at any one time outstanding;

(i) obligations (contingent or otherwise) of Holdings or any of its Subsidiaries existing or arising under any Specified Swap Agreement, provided that such obligations are (or were) entered into by such Person in accordance with Section 7.13 and not for purposes of speculation;

(j) Indebtedness of a Person (other than the Borrower or a Subsidiary) existing at the time such Person is merged with or into a Borrower or a Subsidiary or becomes a Subsidiary, provided that (i) such Indebtedness was not, in any case, incurred by such other Person in connection with, or in contemplation of, such merger or acquisition, (ii) such merger or acquisition constitutes a Permitted Acquisition, and (iii) with respect to any such Person who becomes a Subsidiary, (A) such Subsidiary is the only obligor in respect of such Indebtedness, and (B) to the extent such Indebtedness is permitted to be secured hereunder, only the assets of such Subsidiary secure such Indebtedness;

(k) Indebtedness of the Loan Parties and their Subsidiaries arising in the ordinary course of business with respect to bid, surety and appeals bonds, performance bonds, completion guarantees, workers compensation claims and other similar obligations, including guarantees or obligations of any Loan Party with respect to letters of credit supporting such bid, performance or surety

bonds, workers' compensation claims, and other similar obligations (in each case other than for an obligation for borrowed money);

(l) Indebtedness consisting of the financing of insurance premiums for the insurance of Holdings or any of its Subsidiaries in the ordinary course of business, 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;

(m) Indebtedness representing deferred compensation (other than earn-outs) owed to employees of Holdings, the Borrower or any of its Subsidiaries incurred in the ordinary course of business;

(n) Indebtedness consisting of unsecured promissory notes issued by the Borrower to future, current or former officers, directors, employees, managers and consultants or their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Capital Stock of Holdings, to the extent such repurchase would be permitted under Section 7.6(f) (which secured Indebtedness is issued in lieu of cash Restricted Payments permitted under Section 7.6(f) (it being understood that any such issuance of Indebtedness will reduce dollar for dollar the amounts available for payment under Section 7.6(f)); provided, that the aggregate amount of all Indebtedness under this clause (n) shall not exceed \$1,000,000 at any time outstanding; and

(o) other unsecured Indebtedness in an aggregate amount not to exceed \$625,000 at any time outstanding.

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

(a) Liens for taxes not yet due or that are being contested in good faith by appropriate proceedings; provided that adequate reserves with respect thereto are maintained on the books of the applicable Group Member in conformity with GAAP;

(b) carriers', warehousemen's, landlord's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business that are not overdue for a period of more than 30 days or that are being contested in good faith by appropriate proceedings;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business (other than for indebtedness or any Liens arising under ERISA);

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, are not substantial in amount and that 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 Group Member;

(f) Liens in existence on the date hereof listed on Schedule 7.3(f), securing Indebtedness permitted by Section 7.2(d); 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, (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 7.2(d);

(g) Liens securing Indebtedness incurred pursuant to Section 7.2(e) to finance the acquisition of fixed or capital assets; provided that (i) such Liens shall be created substantially

simultaneously with the acquisition of such fixed or capital assets, (ii) such Liens do not at any time encumber any property other than the property financed by such Indebtedness, and (iii) the amount of Indebtedness secured thereby is not increased;

(h) Liens created pursuant to the Security Documents;

(i) any interest or title of a lessor or licensor under any lease or license entered into by a Group Member in the ordinary course of its business and covering only the assets so leased or licensed;

(j) judgment Liens that do not constitute an Event of Default under Section 8.1(h) of this Agreement;

(k) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash, Cash Equivalents, securities, commodities and other funds on deposit in one or more accounts maintained by a Group Member, in each case arising in the ordinary course of business in favor of banks, other depository institutions, securities or commodities intermediaries or brokerages with which such accounts are maintained securing amounts owing to such banks or financial institutions with respect to cash management and operating account management or are arising under Section 4-208 or 4-210 of the UCC on items in the course of collection;

(l) (i) cash deposits and liens on cash and Cash Equivalents pledged to secure Indebtedness permitted under Section 7.2(f),

(ii) Liens securing reimbursement obligations with respect to letters of credit permitted by Section 7.2(f) that encumber documents and other property relating to such letters of credit, and (iii) Liens securing Swap Obligations permitted by Section 7.2(i);

(m) Liens on property of a Person existing at the time such Person is acquired by, merged into or consolidated with a Group Member or becomes a Subsidiary of a Group Member or acquired by a Group Member; provided that (i) such Liens were not created in contemplation of such acquisition, merger, consolidation or Investment, (ii) such Liens do not extend to any assets other than those of such Person, and (iii) the applicable Indebtedness secured by such Lien is permitted under Section 7.2;

(n) the replacement, extension or renewal of any Lien permitted by clause (m) above upon or in the same property theretofore subject thereto or the replacement, extension or renewal (without increase in the amount or change in any direct or contingent obligor) of the Indebtedness secured thereby;

(o) Liens solely on any cash earnest money deposits made by a Loan Party Borrower or any of its Subsidiaries in connection with any letter of intent or purchase agreement with respect to a Permitted Acquisition;

(p) customary rights of first refusal or first offer, and tag, drag and similar rights in joint venture agreements;

(q) Liens on insurance policies and the proceeds thereof (whether accrued or not) and rights or claims against an insurer in each case securing insurance premium financings permitted under Section 7.2(l); and

(r) other Liens securing Indebtedness in an aggregate principal amount not to exceed \$625,000 at any time outstanding.

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

(a) any Subsidiary of Holdings may be merged or consolidated with or into the Borrower (provided that the Borrower shall be the continuing or surviving corporation) or with or into

any Subsidiary Guarantor (provided that such Subsidiary Guarantor shall be the continuing or surviving corporation);

(b) any Subsidiary of Holdings may Dispose of any or all of its assets (i) to the Borrower or any other Subsidiary Guarantor (upon voluntary liquidation or otherwise) or (ii) pursuant to a Disposition permitted by Section 7.5; and

(c) any Investment expressly permitted by Section 7.7 may be structured as a merger, consolidation or amalgamation.

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

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

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

(c) Dispositions permitted by clause (i) of Section 7.4(b);

(d) the sale or issuance of the Capital Stock of any Subsidiary of Holdings to the Borrower or to any Subsidiary Guarantor;

(e) the use or transfer of money or Cash Equivalents in a manner that is not prohibited by the terms of this Agreement or the other Loan Documents;

(f) the non-exclusive licensing of patents, trademarks, copyrights, and other Intellectual Property rights in the ordinary course of business;

(g) the Disposition of property (i) from any Loan Party to any other Loan Party, and (ii) from any Subsidiary that is not a Loan Party to any other Group Member;

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

(i) leases or subleases of real property;

(j) [reserved];

(k) any abandonment, cancellation, non-renewal or discontinuance of use or maintenance of Intellectual Property (or rights relating thereto) of any Group Member that the Borrower determines in good faith is desirable in the conduct of its business and not materially disadvantageous to the interests of the Lenders;

(l) leases, as lessor, of real or personal property (other than intellectual property) no longer used or useful in such Person's business and otherwise in the ordinary course of business;

(m) Dispositions of assets to the extent that such assets are exchanged for credit against the purchase price of similar replacement assets, or the proceeds of such Dispositions are reasonably promptly applied to the purchase price of similar replacement assets, all in the ordinary course of business;

(n) Dispositions or forgiveness of accounts receivable solely in connection with the collection or compromise thereof (including sales to factors or other third parties) and not as part of any financing transaction, in each case, in the ordinary course of business and without recourse;

(o) leases, subleases, service agreements, product sales, transfers, licenses or sublicenses (including transfers and non-exclusive licenses and sublicenses of intellectual property), in

each case in the ordinary course of business and that do not interfere in any material respect with the business of Holdings, the Borrower or any of its Subsidiaries;

(p) Dispositions of Investments in joint ventures or non-wholly owned Subsidiaries of the Borrower solely to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(q) Dispositions made for fair market value, subject to the satisfaction of the following conditions: (i) the aggregate fair market value, as well as the aggregate book value, of the assets subject to such Dispositions shall not exceed \$750,000 in any Fiscal Year; (ii) immediately prior to and immediately after giving effect to such Disposition, no Default or Event of Default shall have occurred and be continuing or would result therefrom; (iii) the Net Cash Proceeds thereof are used to prepay the Term Loans in accordance with Section 2.12(c); and (iv) at least 75.0% of the consideration received for such sale, transfer, lease, contribution or conveyance is received in cash; and

(r) Dispositions of any non-core assets acquired in connection with any Permitted Acquisition; provided that (i) the fair market value of such assets shall not exceed 10.0% of the consideration paid in such Permitted Acquisition, (ii) both before and after giving effect to any such Disposition, no Default or Event of Default shall exist or would result therefrom and (iii) the Net Cash Proceeds shall be (A) in an amount at least equal to the fair market value of the asset(s) subject to such Disposition and (B) to the extent paid in cash, applied in accordance with Section 2.12(c);

provided, however, that any Disposition made pursuant to this Section 7.5 shall be made in good faith on an arm's length basis for fair value.

7.6 Restricted Payments. Make any payment or prepayment of principal of, premium, if any, or interest on, or redemption, purchase, retirement, defeasance (including in-substance or legal defeasance), sinking fund or similar payment with respect to, any Subordinated Indebtedness, pay any earn-out payment, seller debt or other deferred purchase payments, declare or pay any dividend (other than dividends payable solely in common stock of the Person making such 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 any Group Member, 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 any Group Member (collectively, "**Restricted Payments**"), except that, so long as no Event of Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) any Subsidiary of any Group Member may make Restricted Payments to the Borrower or any Subsidiary of the Borrower that is a Loan Party;

(b) the Borrower may repurchase, redeem or otherwise acquire or retire for value any Capital Stock of Holdings held by any employee, director, consultant or officer of any Loan Party or Subsidiary of any Loan Party pursuant to any employee equity subscription agreement, stock option agreement, stock ownership arrangement or any similar arrangement upon the death, disability, retirement or termination of employment of such employee, director, consultant or officer to the extent (i) not exceeding \$500,000 in any Fiscal Year and (ii) no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(c) the Borrower may make cash payments in lieu of issuing fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for Capital Stock of Holdings; provided, that such payments shall not exceed \$500,000 in any Fiscal Year;

(d) the Borrower may purchase, redeem or otherwise acquire Capital Stock issued by it with the proceeds received from the substantially concurrent issue of new shares of its common stock or other common Capital Stock; provided that any such issuance is otherwise permitted hereunder (including by Section 7.5(d));

(e) with respect to any taxable year during which the Borrower is a member of a consolidated group of which the parent entity is Holdings, the Borrower may make cash Restricted Payments to Intermediate Holdings, and Intermediate Holdings may in turn make cash Restricted Payments to Holdings, to enable Intermediate Holdings or Holdings to pay, and in amounts not to exceed the amount necessary to pay the amount that the Borrower would have been required to pay for federal, state, local or other taxes on income if it were deemed to be the common parent of an affiliated group (within the meaning of Section 1504 of the Code) of which only it and its Subsidiaries were members, taking into account any net operating losses or other attributes of the Borrower or its Subsidiaries, less any amounts paid directly by the Borrower and its Subsidiaries with respect to such Taxes;

(f) (i) the Borrower may make repurchases of Capital Stock deemed to occur upon exercise of stock options or warrants if such repurchased Capital Stock represents a portion of the exercise price of such options or warrants, and (ii) repurchases of Capital Stock deemed to occur upon the withholding of a portion of the Capital Stock granted or awarded to a current or former officer, director, employee or consultant to pay for the taxes payable by such Person upon such grant or award (or upon vesting thereof);

(g) the Borrower may deliver its common Capital Stock upon conversion of any convertible Indebtedness having been issued by the Borrower; provided that such Indebtedness is otherwise permitted by Section 7.2; and

(h) Holdings and its Subsidiaries may make additional Restricted Payments not otherwise permitted by one of the foregoing clauses of this Section 7.6; provided that immediately before and immediately after giving effect to the applicable payment or transaction, (i) no Default or Event of Default shall have occurred and be continuing and (ii) immediately after giving effect to such payment or transaction, (A) Holdings and its Subsidiaries shall maintain Liquidity of at least \$15,000,000, (B) Holdings and its Subsidiaries shall be in compliance with each of the covenants set forth in Section 7.1 and (C) the Consolidated Leverage Ratio of Holdings and its Subsidiaries shall not exceed 1.60:1.00.

7.7 [Reserved].

7.8 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 a business unit of, or make any other investment in, any Person, including, without limitation, the opening of any de novo treatment facility or the opening or acquisition of any PC Entity (all of the foregoing, "**Investments**"), except:

- (a) extensions of trade credit in the ordinary course of business;
- (b) Investments in cash and Cash Equivalents;
- (c) Guarantee Obligations permitted by Section 7.2;

(d) loans and advances to officers, directors and employees of any Loan Party for reasonable and customary business related travel expenses, entertainment expenses, moving expenses and similar expenses, in each case incurred in the ordinary course of business, in an aggregate principal amount at any time not to exceed \$500,000 for all such outstanding loans and advances, after giving effect to Section 7.6(b);

(e) Investments in any joint ventures in the same business or a business reasonably related, complementary or ancillary to the line of business of the Loan Parties in an aggregate amount not to exceed \$1,000,000 at any time outstanding; provided that immediately before and after giving effect to any such Investment, no Default or Event of Default shall exist or would result therefrom;

(f) Investments consisting of intercompany loans or other extensions of credit (i) between or among the Borrower and its Subsidiaries that are Loan Parties, (ii) by the Borrower or a Subsidiary that is a Loan Party to any Subsidiary that is not a Loan Party so long as (x) no Default or Event of Default shall have occurred and be continuing or would result therefrom and (y) the aggregate

amount of any such loans or extensions of credit does not exceed (together with Indebtedness of non-Loan Parties permitted under Section 7.2(b)) \$1,000,000 at any one time outstanding, and (iii) by any Subsidiary that is not a Loan Party to the Borrower or a Subsidiary that is a Loan Party; provided, that, any such intercompany Indebtedness described in clause (iii), shall be subordinated to the Obligations on terms reasonably acceptable to the Administrative Agent;

(g) Investments in the ordinary course of business consisting of endorsements of negotiable instruments for collection or deposit;

(h) Investments received in settlement of amounts due to any Group Member effected in the ordinary course of business or owing to such Group Member as a result of Insolvency Proceedings involving an account debtor or upon the foreclosure or enforcement of any Lien in favor of such Group Member;

(i) Investments held by any Person as of the date such Person is acquired in connection with a Permitted Acquisition, provided that (A) such Investments were not made, in any case, by such Person in connection with, or in contemplation of, such Permitted Acquisition, and (B) with respect to any such Person which becomes a Subsidiary as a result of such Permitted Acquisition, such Subsidiary remains the only holder of such Investment;

(j) so long as no Default or Event of Default shall have occurred and be continuing or would result therefrom, other Investments in an aggregate principal amount at any time not to exceed \$1,000,000;

(k) deposits made to secure the performance of leases, licenses or contracts in the ordinary course of business, and other deposits made in connection with the incurrence of Liens permitted under Section 7.3;

(l) the licensing or contribution of Intellectual Property pursuant to joint marketing arrangements with other Persons in the ordinary course of business;

(m) Investments consisting of demand loans, capital contributions or other Investments made to PC Entities in accordance with the terms of the PC Documents; provided that (i) the aggregate amount of all such Investments to any PC Entity shall not exceed \$1,000,000 at any one time and (ii) the aggregate amount of all such Investments shall not exceed \$2,500,000 over the course of this Agreement;

(n) purchases or other acquisitions by any Group Member of the Capital Stock in a Person that, upon the consummation thereof, will be a Subsidiary (including as a result of a merger or consolidation) or all or substantially all of the assets of, or assets constituting one or more business units of, any Person (each, a "**Permitted Acquisition**"); provided that, with respect to each such purchase or other acquisition:

(i) the newly-created or acquired Subsidiary (or assets acquired in connection with such asset sale) shall be (x) in the same or a related line of business as that conducted by the Borrower on the date hereof, or (y) in a business that is ancillary to and in furtherance of the line of business as that conducted by the Borrower on the date hereof;

(ii) all transactions related to such purchase or acquisition shall be consummated in all material respects in accordance with all Requirements of Law;

(iii) no Loan Party shall, as a result of or in connection with any such purchase or acquisition, assume or incur any direct or contingent liabilities (whether relating to environmental, tax, litigation or other matters) that, as of the date of such purchase or acquisition, could reasonably be expected to result in the existence or incurrence of a Material Adverse Effect;

(iv) any acquired assets shall be located in the United States and any acquired entity shall be organized under the laws of the United States or any state thereof;

(v) the Borrower shall provide to the Administrative Agent as soon as available but in any event not later than five Business Days after the execution thereof, a copy of any executed purchase agreement or similar agreement with respect to any such purchase or acquisition;

(vi) any such newly-created or acquired Subsidiary (or the Loan Party that is the acquirer of assets in connection with an asset acquisition) shall comply with the requirements of Section 6.12, except to the extent compliance with Section 6.12 is prohibited by pre-existing Contractual Obligations or Requirements of Law binding on such Subsidiary or its properties;

(vii) Liquidity shall equal or exceed \$10,000,000 as of the date the definitive agreements relating to any such acquisition or other purchase are executed (after giving effect, on a Pro Forma Basis, to the consummation of such acquisition or other purchase);

(viii) immediately before and immediately after giving effect to any such purchase or other acquisition, (x) no Default or Event of Default shall have occurred and be continuing, (y) Holdings and its Subsidiaries shall be in compliance with each of the covenants set forth in Section 7.1, based upon financial statements delivered to the Administrative Agent which give effect, on a Pro Forma Basis, to such acquisition or other purchase and (z) the Consolidated Leverage Ratio of Holdings and its Subsidiaries shall not exceed 1.75:1.00;

(ix) the Borrower shall not, based upon the knowledge of Holdings or the Borrower as of the date any such acquisition or other purchase is consummated, reasonably expect such acquisition or other purchase to result in an Event of Default under Section 8.1(c), at any time during the term of this Agreement, as a result of a breach of any of the financial covenants set forth in Section 7.1;

(x) no Indebtedness is assumed or incurred in connection with any such purchase or acquisition other than Indebtedness permitted by the terms of Section 7.2(j);

(xi) the aggregate amount of the cash consideration (A) paid by such Group Member in connection with any particular Permitted Acquisition shall not exceed \$5,000,000, and (B) paid by all Group Members in connection with all such Permitted Acquisitions consummated from and after the Closing Date shall not exceed \$25,000,000;

(xii) such purchase or acquisition shall not constitute an Unfriendly Acquisition; and

(xiii) the Borrower shall have delivered to the Administrative Agent, at least five Business Days prior to the date on which any such purchase or other acquisition is to be consummated (or such later date as is agreed by the Administrative Agent in its sole discretion), a certificate of a Responsible Officer, in form and substance reasonably satisfactory to the Administrative Agent, certifying that all of the requirements set forth in this definition have been satisfied or will be satisfied on or prior to the consummation of such purchase or other acquisition;

(o) Investments consisting of, or related to, the opening and startup of any de novo treatment facility that will constitute a PC Entity; provided that (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) the aggregate amount of all such Investments made pursuant to this clause (o) in any Fiscal Year shall not exceed \$5,000,000 without the prior written consent of Administrative Agent and (iii) the aggregate amount of de novo facility Investments in jurisdictions outside of the United States (excluding the existing de novo facility in Toronto, Canada) during the term of this Agreement shall not exceed \$10,000,000 without the prior written consent of Administrative Agent; and

(p) Holdings and its Subsidiaries may make additional Investments not otherwise permitted by one of the foregoing clauses of this Section 7.8; provided that immediately before and immediately after giving effect to such Investment, (i) no Default or Event of Default shall have occurred

and be continuing and (ii) immediately after giving effect to such Investment (A) Holdings and its Subsidiaries shall maintain Liquidity of at least \$10,000,000, (B) Holdings and its Subsidiaries shall be in compliance with each of the covenants set forth in Section 7.1 and (C) the Consolidated Leverage Ratio of Holdings and its Subsidiaries shall not exceed 1.75:1.00.

Notwithstanding the foregoing, in no event shall any Loan Party be permitted to transfer or dispose to any Person that is not a Loan Party any legal or beneficial ownership of, or an exclusive license to, any Intellectual Property rights, in each case, that are material to the business of the Loan Parties, taken as a whole.

7.9 ERISA. The Borrower shall not, and shall not permit any of its ERISA Affiliates to: (a) terminate any Pension Plan so as to result in any material liability to the Borrower or any ERISA Affiliate, (b) permit to exist any ERISA Event, or any other event or condition, which presents the risk of a material liability to any ERISA Affiliate, (c) make a complete or partial withdrawal (within the meaning of ERISA Section 4201) from any Multiemployer Plan so as to result in any material liability to the Borrower or any ERISA Affiliate, (d) enter into any new Plan or modify any existing Plan so as to increase its obligations thereunder which could result in any material liability to any ERISA Affiliate, (e) permit the present value of all nonforfeitable accrued benefits under any Plan (using the actuarial assumptions utilized by the PBGC upon termination of a Plan) materially to exceed the fair market value of Plan assets allocable to such benefits, all determined as of the most recent valuation date for each such Plan, or (f) engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by the Administrative Agent or any Lender of any of its rights under this Agreement, any Note or the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA or Section 4975 of the Code.

7.10 Optional Payments and Modifications of Debt Instruments. Amend, modify, waive or otherwise change, or consent or agree to any amendment, modification, waiver or other change to, any of the terms of any Indebtedness permitted by Section 7.2 (other than Indebtedness pursuant to any Loan Document) that would shorten the maturity or increase the amount of any payment of principal thereof or the rate of interest thereon or shorten any date for payment of interest thereon or that would be otherwise materially adverse to any Lender or any other Secured Party.

7.11 Transactions with Affiliates. Enter into any transaction, 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 between or among Loan Parties and PC Entities to the extent expressly permitted hereunder) unless such transaction is (a) otherwise permitted under this Agreement, (b) in the ordinary course of business of the relevant Group Member, and (c) upon fair and reasonable terms no less favorable to the relevant Group Member than it would obtain in a comparable arm's length transaction with a Person that is not an Affiliate.

7.12 Sale Leaseback Transactions. Enter into any Sale Leaseback Transaction.

7.13 Swap Agreements. Enter into any Swap Agreement, except Specified Swap Agreements which are entered into by a Group Member to (a) hedge or mitigate risks to which such Group Member has actual exposure (other than those in respect of Capital Stock), or (b) effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of such Group Member.

7.14 Accounting Changes. Make any change in its (a) accounting policies or reporting practices, except as required by GAAP, or (b) Fiscal Year.

7.15 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) any agreements governing any purchase money Liens or Capital Lease Obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the

assets financed thereby), (c) customary restrictions on the assignment of leases, licenses and other agreements, (d) any agreement in effect at the time any Subsidiary becomes a Subsidiary of a Loan Party, so long as (i) any such prohibition contained in any such agreement applies solely with respect to the creation, incurrence, assumption or sufferance by such Subsidiary of a Lien upon Excluded Assets, and (ii) such agreement was not entered into solely in contemplation of such Person becoming a Subsidiary or, in any such case, that is set forth in any agreement evidencing any amendments, restatements, supplements, modifications, extensions, renewals and replacements of the foregoing, so long as such amendment, restatement, supplement, modification, extension, renewal or replacement applies only to such Subsidiary and does not otherwise expand in any material respect the scope of any restriction or condition contained therein, and (e) any restriction pursuant to any document, agreement or instrument governing or relating to any Lien permitted under Sections 7.3(c), (m), (n) and (p) or any agreement or option to Dispose any asset of any Group Member, the Disposition of which is permitted by any other provision of this Agreements (in each case, provided that any such restriction relates only to the assets or property subject to such Lien or being Disposed).

7.16 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 Holdings to (a) make Restricted Payments in respect of any Capital Stock of such Subsidiary held by, or 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, (iii) customary restrictions on the assignment of leases, licenses and other agreements, (iv) restrictions of the nature referred to in clause (c) above under agreements governing purchase money liens or Capital Lease Obligations otherwise permitted hereby which restrictions are only effective against the assets financed thereby (v) any agreement in effect at the time any Subsidiary becomes a Subsidiary of a Borrower, so long as such agreement applies only to such Subsidiary, was not entered into solely in contemplation of such Person becoming a Subsidiary or in each case that is set forth in any agreement evidencing any amendments, restatements, supplements, modifications, extensions, renewals and replacements of the foregoing, so long as such amendment, restatement, supplement, modification, extension, renewal or replacement does not expand in any material respect the scope of any restriction or condition contained therein, or (vi) any restriction pursuant to any document, agreement or instrument governing or relating to any Lien permitted under Section 7.3(c), (m), (n) and (p) (provided that any such restriction relates only to the assets or property subject to such Lien or being Disposed).

7.17 Lines of Business. Enter into any business, either directly or through any Subsidiary, except for those businesses in which Holdings and its Subsidiaries are engaged on the date of this Agreement or that are reasonably related, ancillary or incidental thereto.

7.18 Designation of other Indebtedness. Designate any Indebtedness or indebtedness other than the Obligations as “Designated Senior Indebtedness” or a similar concept thereto, if applicable.

7.19 PC Entities; PC Documents.

(a) Enter into any Management Services Agreement with any PC Entity after the Closing Date unless:

(i) such Management Services Agreement is Freely Assignable;

(ii) promptly after the execution thereof, the applicable Loan Party shall deliver a copy of such Management Services Agreement to the Administrative Agent;

(iii) except to the extent prohibited under applicable law, such PC Entity shall have granted to the applicable Loan Party a continuing Lien on its Accounts (as defined in the UCC) as collateral security for the payment in full of all amounts and other obligations from time to time owing to

the applicable Loan Party by such PC Entity under any Management Services Agreement or any Deficit Funding Agreement pursuant to a Freely Assignable Deficit Funding Agreement;

(iv) except to the extent prohibited (or, based on the advice of experienced healthcare counsel, not legally advisable) under applicable law, the applicable Loan Party, such PC Entity and the member(s) or other equityholder(s) of such PC Entity shall have entered into a Freely Assignable Continuity Agreement, and the applicable Loan Party shall deliver a copy of such Continuity Agreement to the Administrative Agent;

(v) except to the extent prohibited under applicable law, the applicable Loan Party and such PC Entity shall enter into a Freely Assignable Deficit Funding Agreement, and the applicable Loan Party shall deliver a copy of such Deficit Funding Agreement to the Administrative Agent; and

(vi) except to the extent prohibited under applicable law, the applicable Loan Party shall execute and deliver to the Administrative Agent a Collateral Assignment of PC Documents (or a supplement to an applicable existing Collateral Assignment of PC Documents).

(b) No Loan Party shall, and no Loan Party shall cause or permit any of its Subsidiaries to, amend or modify in any manner adverse in any material respect to the Lenders or the Agent, or grant any waiver under (if such granting shall be adverse to the Lenders), any PC Documents, except for any amendment, modification or waiver, in each case, reasonably required to comply with applicable law (including Health Care Laws and state corporate laws)

7.20 Amendments to Organizational Agreements and Material Contracts. (a) Amend or permit any amendments to any Loan Party's organizational documents; (b) amend or permit any amendments to, or terminate or waive any provision of the PC Documents, other than any amendment, modification or other change that is not adverse to the Administrative Agent or the Lenders in any material respect (it being understood and agreed that, with respect to the PC Documents, any decrease in fees, removal of existing fees, delay of any date on which fees are due or modification of any assignment provisions with respect thereto shall be deemed to be adverse to the Administrative Agent and the Lenders) or (c) amend or permit any amendments to, or terminate or waive any provision of, any material Contractual Obligation if such amendment, termination, or waiver would be adverse to Administrative Agent or the Lenders in any material respect.

7.21 Use of Proceeds. Use the proceeds of any Credit Extension hereunder, whether directly or indirectly, and whether immediately, incidentally or ultimately, (a) to purchase or carry margin stock (within the meaning of Regulation U of the Federal Reserve Board) 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, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Federal Reserve Board; (b) to finance an Unfriendly Acquisition; (c) to fund any activities of or business with any individual or entity, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any individual or entity (including any individual or entity participating in the transaction, whether as Lender, Lead Arranger, Administrative Agent, Issuing Lender, Swingline Lender, or otherwise) of Sanctions (or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other individual or entity in violation of the foregoing); or (d) for any purpose which would breach the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, or other similar legislation in other jurisdictions.

7.22 Subordinated Indebtedness.

(a) Amendments. Amend, modify, supplement, waive compliance with, or consent to noncompliance with, any Subordinated Debt Document, unless the amendment, modification, supplement, waiver or consent (i) does not adversely affect Holdings' or any of its Subsidiaries', as applicable, ability to pay and perform each of its Obligations at the time and in the manner set forth herein and in the other Loan Documents and is not otherwise adverse to the Administrative Agent and the

Lenders, and (ii) is in compliance with the subordination provisions therein and any subordination agreement with respect thereto in favor of the Administrative Agent and the Lenders.

(b) **Payments.** Make any voluntary or optional payment, prepayment or repayment on, redemption, exchange or acquisition for value of, or any sinking fund or similar payment with respect to, any Subordinated Indebtedness, except as permitted by the subordination provisions in the applicable Subordinated Debt Documents and any subordination agreement with respect thereto in favor of the Administrative Agent and the Lenders.

7.23 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 person blocked pursuant to Executive Order No. 13224 (a “**Blocked Person**”), including the making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person; (b) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224; 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 Executive Order No. 13224 or the Patriot Act.

7.24 Holding Companies. Holdings and Intermediate Holdings will not engage in any material operating or business activities; provided, that the following and any activities incidental or related thereto shall be permitted: (i) the maintenance of their legal existence (including the ability to incur and pay, as applicable, fees, costs and expenses and taxes relating to such maintenance), (ii) ownership of the Capital Stock of their Subsidiaries, (iii) holding any cash or property (but not operating any material property), (iv) the performance of their obligations with respect to Loan Documents and any other documents governing Indebtedness permitted hereby, (v) any public offering of common equity or any other issuance or sale of the Capital Stock of Holdings or (vi) participating in tax, accounting and other administrative matters of a type customarily provided by a holding company to its Subsidiaries.

7.25 Collection Account. Other than in accordance with Section 2.12(g), Borrower shall not transfer any funds out of the Collection Account unless and until the obligations in Section 2.12(g) are satisfied; provided that the Administrative Agent shall direct the deposits made into the Collection Account in an aggregate amount not to exceed \$3,000,000 to be disbursed to any account designated by the Borrower in a timely manner.

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 Loan when due in accordance with the terms hereof; or the Borrower shall fail to pay any amount of interest on any Loan, or any other amount payable hereunder or under any other Loan Document, within three Business Days after any 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, document or financial or other statement 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) (i) any Loan Party shall default in the observance or performance of any agreement contained in Section 5.3, Section 6.1, Section 6.2(b), clause (i) or (ii) of Section 6.5(a), Section 6.6(b), Section 6.8(a), Section 6.10 or Section 7 of this Agreement or (ii) an “**Event of Default**” under and as defined in any Security Document shall have occurred and be continuing or (iii) with respect

to the Fund Guarantee, any Fund Guarantor shall default in observance or performance of the Fund Guarantee; or

(d) any Loan Party shall default in the observance or performance of any other 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 30 days thereafter; or

(e) (i) any Group Member shall (A) default in making any payment of any principal of any Indebtedness (including any Guarantee Obligation, but excluding the Loans) on the scheduled or original due date with respect thereto; (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; (C) default in making any payment or delivery under any such Indebtedness constituting a Swap Agreement beyond the period of grace, if any, provided in such Swap Agreement; or (D) default in the observance or performance of any other agreement (including any Subordinated Debt Document) or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to (1) cause, or to permit the holder or beneficiary of, or, in the case of any such Indebtedness constituting a Swap Agreement, counterparty under, such Indebtedness (or a trustee or agent on behalf of such holder, beneficiary, or counterparty) to cause, with the giving of notice if required, such Indebtedness to become due prior to its stated maturity or (in the case of any such Indebtedness constituting a Guarantee Obligation) to become payable or (in the case of any such Indebtedness constituting a Swap Agreement) to be terminated, or (2) to cause, with the giving of notice if required, any Group Member to purchase, redeem, mandatorily prepay or make an offer to purchase, redeem or mandatorily prepay such Indebtedness prior to its stated maturity; provided that, unless such Indebtedness constitutes a Specified Swap Agreement, a default, event or condition described in clauses (i)(A), (B), (C) or (D) 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 (i)(A), (B), (C) or (D) of this Section 8.1(e) shall have occurred with respect to Indebtedness, the outstanding principal amount (and, in the case of Swap Agreements, other than Specified Swap Agreements, the Swap Termination Value) of which, individually or in the aggregate for all such Indebtedness, exceeds the Threshold Amount; or (ii) any default or event of default (however designated) shall occur with respect to any Subordinated Indebtedness of any Group Member; or

(f) (i) any Group Member (other than an Immaterial Subsidiary) 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, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or any Group Member (other than an Immaterial Subsidiary) shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against any Group Member (other than an Immaterial Subsidiary) 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 60 days (provided that, during such 60 day period, no Loan shall be advanced or Letters of Credit issued hereunder); 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 60 days from the entry thereof (provided that, during such 60 day period, no Loan shall be advanced or Letters of Credit issued hereunder); or (iv) any Group Member (other than an Immaterial Subsidiary) 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 generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) there shall occur one or more ERISA Events which individually or in the aggregate results in or otherwise is associated with liability of any Loan Party or any ERISA Affiliate thereof in excess of the Threshold Amount during the term of this Agreement; or there exists an amount

of unfunded benefit liabilities (as defined in Section 4001(a)(18) of ERISA), individually or in the aggregate for all Pension Plans (excluding for purposes of such computation any Pension Plans with respect to which assets exceed benefit liabilities) which exceeds the Threshold Amount; or

(h) there is entered against any Group Member (i) 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 as to which the relevant insurance company has acknowledged coverage) in excess of the Threshold Amount, or (ii) one or more non-monetary final judgments that have, or could reasonably be expected to 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 vacated, discharged, stayed or bonded pending appeal within 45 days from the entry thereof; or

(i) (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, or any Lien created by any of the Security Documents shall cease to be enforceable and of the same effect and priority purported to be created thereby (other than as a result of the action or inaction of the Administrative Agent or any Lender) with respect to Collateral having a value exceeding \$1,000,000; or

(ii) there shall be commenced against any Loan Party 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 60 days from the entry thereof; or

(iii) any court order enjoins, restrains or prevents a Loan Party from conducting all or any material part of its business; or

(j) the guarantee contained in Section 2 of the Guarantee and Collateral Agreement shall cease, for any reason, to be in full force and effect or any Loan Party shall so assert; or

(k) a Change of Control shall occur; or

(l) [reserved];

(m) any of the Governmental Approvals shall have been (i) revoked, rescinded, suspended, modified in an adverse manner or not renewed in the ordinary course for a full term or (ii) subject to any decision by a Governmental Authority that designates a hearing with respect to any applications for renewal of any of the Governmental Approvals or that could result in the Governmental Authority taking any of the actions described in clause (i) above, and such decision or such revocation, rescission, suspension, modification or nonrenewal has, or could reasonably be expected to have, a Material Adverse Effect; or

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

(o) [reserved]; or

(p) any PC Entity shall fail to deposit cash, checks, drafts and other items, including cash and Cash Equivalents, received or held by or on behalf of such PC Entity (other than amounts not exceeding \$100,000 at any one time) into a Deposit Account of a Loan Party subject to a Control Agreement or a Deposit Account of such PC Entity subject to a sweep agreement in favor of a Loan Party

in breach of the PC Documents, if such breach remains uncured for more than five Business Days (or such later date as agreed by the Administrative Agent in its sole discretion) following any Loan Party becoming aware of such breach.

8.2 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent shall, at the request of, or may, with the consent of, the Required Lenders, take any or all of the following actions:

(a) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) of Section 8.1 with respect to the Borrower, the Commitments shall immediately terminate automatically and the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including, for the avoidance of doubt, the Fund Guarantee) shall automatically immediately become due and payable, and

(b) if such event is any other Event of Default, any of the following actions may be taken: (i) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower declare the Revolving Commitments, the Term Commitments, the Swingline Commitments and the L/C Commitments to be terminated forthwith, whereupon the Revolving Commitments, the Term Commitments, the Swingline Commitments and the L/C Commitments shall immediately terminate; (ii) with the consent of the Required Lenders, the Administrative Agent may, or upon the request of the Required Lenders, the Administrative Agent shall, by notice to the Borrower, declare the Loans (with accrued interest thereon) and all other amounts owing under this Agreement and the other Loan Documents (including, for the avoidance of doubt, the Fund Guarantee) to be due and payable forthwith, whereupon the same shall immediately become due and payable; (iii) any Cash Management Bank may terminate any Cash Management Agreement then outstanding and declare all Obligations then owing by the Group Members under any such Cash Management Agreements then outstanding to be due and payable forthwith, whereupon the same shall immediately become due and payable; and (iv) the Administrative Agent may exercise on behalf of itself, any Cash Management Bank, the Lenders and the Issuing Lender all rights and remedies available to it, any such Cash Management Bank, the Lenders and the Issuing Lender under the Loan Documents.

With respect to all Letters of Credit with respect to which presentment for honor shall not have occurred at the time of an acceleration pursuant to this paragraph, the Borrower shall Cash Collateralize an amount equal to 103% of the aggregate then undrawn and unexpired amount of such Letters of Credit. Amounts so Cash Collateralized shall be applied by the Administrative Agent to the payment of drafts drawn under such Letters of Credit, and the unused portion thereof after all such Letters of Credit shall have expired or been fully drawn upon, if any, shall be applied to repay other Obligations of the Borrower hereunder and under the other Loan Documents in accordance with Section 8.3.

In addition, (x) the Borrower shall also cash collateralize the full amount of any Swingline Loans then outstanding, and (y) to the extent elected by any applicable Cash Management Bank, the Borrower shall also cash collateralize the amount of any Obligations in respect of Cash Management Services then outstanding, which cash collateralized amounts shall be applied by the Administrative Agent to the payment of all such outstanding Cash Management Services, and any unused portion thereof remaining after all such Cash Management Services shall have been fully paid and satisfied in full shall be applied by the Administrative Agent to repay other Obligations of the Loan Parties hereunder and under the other Loan Documents in accordance with the terms of Section 8.3.

After all such Letters of Credit and Cash Management Agreements shall have been terminated, expired or fully drawn upon, as applicable, and all amounts drawn under any such Letters of Credit shall have been reimbursed in full and all other Obligations of the Borrower and the other Loan Parties (including any such Obligations arising in connection with Cash Management Services) shall have been paid in full, the balance, if any, of the funds having been so cash collateralized shall be returned to

the Borrower (or such other Person as may be lawfully entitled thereto). 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 Administrative Agent on account of the Obligations shall be applied by the Administrative Agent 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 Administrative Agent and amounts payable under Sections 2.19, 2.20 and 2.21 (including interest thereon)) payable to the Administrative Agent, in its capacity as such;

Second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal, interest, and Letter of Credit Fees) payable to the Lenders, the Issuing Lender ((including any Letter of Credit Fronting Fees and Issuing Lender Fees), and any Qualified Counterparty and any applicable Cash Management Bank (in its respective capacity as a provider of Cash Management Services), and the reasonable and documented out-of-pocket fees, charges and disbursements of counsel to the respective Lenders and the Issuing Lender, and amounts payable under Sections 2.19, 2.20 and 2.21), in each case, ratably among them in proportion to the respective amounts described in this clause Second payable to them;

Third, to the extent that the Swingline Lender has advanced any Swingline Loans that have not been refunded by each Lender's Swingline Participation Amount, payment to the Swingline Lender of that portion of the Obligations constituting the unpaid principal of and interest upon the Swingline Loans advanced by the Swingline Lender;

Fourth, to the payment of that portion of the Obligations constituting accrued and unpaid Letter of Credit Fees and interest in respect of any Cash Management Services and on the Loans and L/C Disbursements which have not yet been converted into Revolving Loans, and to payment of premiums and other fees (including any interest thereon) under any Specified Swap Agreements and any Cash Management Agreements, in each case, ratably among the Lenders, any applicable Cash Management Bank (in its respective capacity as a provider of Cash Management Services), and any Qualified Counterparties, in each case, ratably among them in proportion to the respective amounts described in this clause Fourth payable to them;

Fifth, to payment of that portion of the Obligations constituting unpaid principal of the Loans, L/C Disbursements which have not yet been converted into Revolving Loans, and settlement amounts, payment amounts and other termination payment obligations under any Specified Swap Agreements and Cash Management Agreements, in each case, ratably among the Lenders, any applicable Cash Management Bank (in its respective capacity as a provider of Cash Management Services), and any applicable Qualified Counterparties, in each case, ratably among them in proportion to the respective amounts described in this clause Fifth and payable to them;

Sixth, to the Administrative Agent for the account of the Issuing Lender, to Cash Collateralize that portion of the L/C Exposure comprised of the aggregate undrawn amount of Letters of Credit pursuant to Section 3.10;

Seventh, for the account of any applicable Qualified Counterparty and any applicable Cash Management Bank, to cash collateralize Obligations arising under any then outstanding Specified Swap Agreements and Cash Management Services, in each case, ratably among them in proportion to the respective amounts described in this clause Seventh payable to them;

Eighth, to the payment of all other Obligations of the Loan Parties that are then due and payable to the Administrative Agent and the other Secured Parties on such date, in each case, ratably among them in proportion to the respective aggregate amounts of all such Obligations described in this clause Eighth and payable to them;

Last, the balance, if any, after the Discharge of Obligations, to the Borrower or as otherwise required by law.

Subject to Sections 2.24(a), 3.4, 3.5 and 3.10, amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Sixth above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral for Letters of Credit after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

Notwithstanding the foregoing, no Excluded Swap Obligation of any Guarantor shall be paid with amounts received from such Guarantor or from any Collateral in which such Guarantor has granted to the Administrative Agent a Lien (for the ratable benefit of the Secured Parties) pursuant to the Guarantee and Collateral Agreement; provided, however, that each party to this Agreement hereby acknowledges and agrees that appropriate adjustments shall be made by the Administrative Agent (which adjustments shall be controlling in the absence of manifest error) with respect to payments received from other Loan Parties to preserve the allocation of such payments to the satisfaction of the Obligations in the order otherwise contemplated in this Section 8.3.

Section 9 THE ADMINISTRATIVE AGENT

9.1 Appointment and Authority.

(a) Each of the Lenders hereby irrevocably appoints SVB to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

(b) The provisions of Section 9 are solely for the benefit of the Administrative Agent, the Lenders, the Issuing Lender, and the Swingline Lender, and neither the Borrower nor any other Loan Party shall have rights as a third party beneficiary of any of such provisions. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or obligations, except those expressly set forth herein and in the other Loan Documents, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

(c) The Administrative Agent shall also act as the collateral agent under the Loan Documents (other than the Fund Guarantee), and each of the Lenders (in their respective capacities as a Lender and, as applicable, Qualified Counterparty and provider of Cash Management Services) hereby irrevocably (i) authorizes the Administrative Agent to enter into all other Loan Documents, as applicable, including the Guarantee and Collateral Agreement and any Subordinated Debt Document, and (ii) appoints and authorizes the Administrative Agent to act as the agent of the Secured Parties for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. The Administrative Agent, as collateral agent and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent pursuant to Section 9.2 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent), shall be entitled to the benefits of all provisions of this Section 9 and Section 10 (including Section 9.7, as though such co-agents, sub-agents and attorneys-in-fact were the collateral agent under the Loan Documents) as if set forth in full herein with respect thereto. Without limiting the generality of the foregoing, the Administrative Agent is further authorized on behalf of all the Lenders, without the necessity of any notice to or further consent from the Lenders, from time to time to take any action, or permit the any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent to take any action, with respect to any Collateral or the Loan Documents which may be necessary to perfect and maintain perfected the Liens upon any Collateral granted pursuant to any Loan Document (other than the Fund Guarantee).

9.2 Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Section shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facilities provided for herein as well as activities as the Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub agents. Nothing in this Section shall limit the ability of any Loan Party to hold any such sub-agent responsible for losses, costs, damages, and expenses incurred by such Loan Party as a result of gross negligence or willful misconduct of such sub-agent to the same extent as the Administrative Agent.

9.3 Exculpatory Provisions. The Administrative Agent shall have no duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder and thereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent shall not:

(a) be subject to any fiduciary or other implied duties, regardless of whether any Default or any Event of Default has occurred and is continuing;

(b) have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), as applicable; provided that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of any Debtor Relief Law; and

(c) except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and the Administrative Agent shall not be liable for the failure to disclose, any

information relating to Holdings or any of its Affiliates that is communicated to or obtained by any Person serving as the Administrative Agent or any of its Affiliates in any capacity.

The Administrative Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Administrative Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 8.2 and 10.1), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment.

The Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Section 5.1, Section 5.2 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

9.4 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance, extension, renewal or increase of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan or the issuance of such Letter of Credit. The Administrative Agent may consult with legal counsel (who may be counsel for any of the Loan Parties), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or such other number or percentage of Lenders as shall be provided for herein or in the other Loan Documents) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or such other number or percentage of Lenders as shall be provided for herein or in the other Loan Documents), and such request and any action taken or failure to act pursuant thereto shall be binding upon the Lenders and all future holders of the Loans.

9.5 Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice in writing from a Lender, Holdings or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “*notice of default*.” In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the

Administrative Agent may (but shall not be obligated to) take such action or refrain from taking such action with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

9.6 Non-Reliance on Administrative Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys in fact or affiliates has made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of a Group Member or any Affiliate of a Group Member, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties, and based on such documents and information as it has deemed appropriate, made its own appraisal of, and investigation into, the business, operations, property, financial and other condition and creditworthiness of the Group Members and their affiliates and made its own credit analysis and decision to make its Loans hereunder and enter into this Agreement. Each Lender also agrees that it will, independently and without reliance upon the Administrative Agent or any other Lender or any of their Related Parties, and based on such documents and information as it shall from time to time deem appropriate, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under or based upon this Agreement, the other Loan Documents or any related agreement or any document furnished hereunder or thereunder, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Group Members and their affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Group Member or any Affiliate of a Group Member that may come into the possession of the Administrative Agent or any of its officers, directors, employees, agents, attorneys in fact or affiliates.

9.7 Indemnification. Each of the Lenders agrees to indemnify each of the Administrative Agent, the Issuing Lender and the Swingline Lender and each of its Related Parties in its capacity as such (to the extent not reimbursed by Holdings, the Borrower or any other Loan Party and without limiting the obligation of Holdings, the Borrower or any other Loan Party to do so) according to its Aggregate Exposure Percentage in effect on the date on which indemnification is sought under this Section 9.7 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, in accordance with its Aggregate Exposure Percentage immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against the Administrative Agent or such other Person in any way relating to or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Administrative Agent or such other Person under or in connection with any of the foregoing and any other amounts not reimbursed by Holdings, the Borrower or such other Loan Party; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted primarily from the Administrative Agent's or such other Person's gross negligence or willful misconduct, and that with respect to such unpaid amounts owed to any Issuing Lender or Swingline Lender solely in its capacity as such, only the Revolving Lenders shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Revolving Lenders' Revolving Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought). The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

9.8 Agent in Its Individual Capacity. The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates

may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Borrower, Holdings or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

9.9 Successor Administrative Agent.

(a) The Administrative Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right (so long as no Event of Default has occurred and is continuing, with the consent of the Borrower) to appoint a successor. If no such successor shall have been so appointed by the Required Lenders and, if applicable, the Borrower, and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the “**Resignation Effective Date**”), then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent meeting the qualifications set forth above; provided that in no event shall any such successor Administrative Agent be a Defaulting Lender. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b) If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person, remove such Person as Administrative Agent and appoint a successor (so long as no Event of Default has occurred and is continuing, with the consent of the Borrower). If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days (or such earlier day as shall be agreed by the Required Lenders) (the “**Removal Effective Date**”), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c) With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Secured Parties under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed and such collateral security is assigned to such successor Administrative Agent) and (ii) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders and, if applicable, the Borrower, appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor’s appointment as Administrative Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Administrative Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Administrative Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Administrative Agent’s resignation or removal hereunder and under the other Loan Documents, the provisions of Section 9 and Section 10.5 shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as the Administrative Agent.

9.10 Collateral and Guaranty Matters.

(a) The Lenders irrevocably authorize the Administrative Agent, at its option and in its discretion,

(i) to release any Lien on any Collateral or other property granted to or held by the Administrative Agent under any Loan Document (i) upon the Discharge of Obligations (other than contingent indemnification obligations for which no claim has been made) and the expiration or termination of all Letters of Credit (other than Letters of Credit as to which other arrangements satisfactory to the Administrative Agent and the applicable Issuing Lender shall have been made and the aggregate Commitments have been terminated), (ii) that is sold or otherwise disposed of or to be sold or otherwise disposed of to a Person other than a Loan Party as part of or in connection with any sale or other disposition permitted hereunder or under any other Loan Document, (iii) if such Collateral becomes Excluded Assets or (iv) subject to Section 10.1, if approved, authorized or ratified in writing by the Required Lenders;

(ii) to subordinate any Lien on any Collateral or other property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 7.3(g); and

(iii) to release any Guarantor from its obligations under the Guarantee and Collateral Agreement if such Person ceases to be a Subsidiary as a result of a transaction permitted under the Loan Documents.

Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the guaranty pursuant to this Section 9.10.

(b) The Administrative Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Administrative Agent's Lien thereon, or any certificate prepared by any Loan Party in connection therewith, nor shall the Administrative Agent be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

(c) Notwithstanding anything contained in any Loan Document, no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce any guaranty of the Obligations (including any such guaranty provided by the Guarantors pursuant to the Guarantee and Collateral Agreement), it being understood and agreed that all powers, rights and remedies under the Loan Documents may be exercised solely by the Administrative Agent on behalf of the Secured Parties in accordance with the terms thereof; provided that, for the avoidance of doubt, in no event shall a Secured Party be restricted hereunder from filing a proof of claim on its own behalf during the pendency of a proceeding relative to any Loan Party under any Debtor Relief Law or any other judicial proceeding. In the event of a foreclosure by the Administrative Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Administrative Agent or any Secured Party may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition, and the Administrative Agent, as agent for and representative of such Secured Party (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any Collateral payable by the Administrative Agent on behalf of the Secured Parties at such sale or other disposition. Each Secured Party, whether or not a party hereto, will be deemed, by its acceptance of the benefits of the Collateral and of the guarantees of the Obligations provided by the Loan Parties under the Guarantee and Collateral Agreement, to have agreed to the foregoing provisions. In furtherance of the foregoing, and not in limitation thereof, no Specified Swap Agreement and no Cash Management Agreement, the Obligations under which constitute Obligations, will create (or be deemed to create) in favor of any Secured Party that is a party thereto any rights in connection with the management or release of any Collateral or of the Obligations of any Loan Party under any Loan Document except as expressly provided herein or in the Guarantee and Collateral Agreement. By accepting the benefits of the Collateral and of the guarantees of the Obligations provided by the Loan Parties under the Guarantee and Collateral Agreement, any Secured Party that is a Cash Management Bank or a Qualified Counterparty shall be deemed to have appointed the Administrative Agent to serve as administrative agent and collateral agent under the Loan Documents and to have agreed

to be bound by the Loan Documents as a Secured Party thereunder, subject to the limitations set forth in this paragraph.

9.11 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or Obligation in respect of any Letter of Credit shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated), by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, Obligations in respect of any Letter of Credit and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.9 and 10.5) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.9 and 10.5.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

9.12 No Other Duties, Etc. Anything herein to the contrary notwithstanding, none of the "Lead Arrangers" listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Administrative Agent, a Lender, the Issuing Lender or the Swingline Lender hereunder.

9.13 Cash Management Bank and Qualified Counterparty Reports. Each Cash Management Bank and each Qualified Counterparty agrees to furnish to the Administrative Agent, as frequently as the Administrative Agent may reasonably request, with a summary of all Obligations in respect of Cash Management Services and/or Specified Swap Agreements, as applicable, due or to become due to such Cash Management Bank or Qualified Counterparty, as applicable. In connection with any distributions to be made hereunder, the Administrative Agent shall be entitled to assume that no amounts are due to any Cash Management Bank or Qualified Counterparty (in its capacity as a Cash Management Bank or Qualified Counterparty and not in its capacity as a Lender) unless the Administrative Agent has received written notice thereof from such Cash Management Bank or Qualified Counterparty and if such notice is received, the Administrative Agent shall be entitled to assume that the only amounts due to such Cash Management Bank or Qualified Counterparty on account of Cash Management Services or Specified Swap Agreements are set forth in such notice.

9.14 Survival. This Section 9 shall survive the Discharge of Obligations.

9.15 Erroneous Payments.

(a) If the Administrative Agent notifies a Lender, Issuing Lender or Secured Party, or any Person who has received funds on behalf of a Lender, Issuing Lender or Secured Party such Lender or Issuing Lender (any such Lender, Issuing Lender, Secured Party or other recipient, a “**Payment Recipient**”) that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Issuing Lender, Secured Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “**Erroneous Payment**”) and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender, Issuing Lender or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender, Issuing Lender or Secured Party, or any Person who has received funds on behalf of a Lender, Issuing Lender or Secured Party such Lender or Issuing Lender, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Administrative Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z) that such Lender, Issuing Lender or Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii) such Lender, Issuing Lender or Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 9.15(b).

(c) Each Lender, Issuing Lender or Secured Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender, Issuing Lender or Secured Party under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender, Issuing Lender or Secured Party from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Lender or Issuing Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such

Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “*Erroneous Payment Return Deficiency*”), upon the Administrative Agent’s notice to such Lender or Issuing Lender at any time, (i) such Lender or Issuing Lender shall be deemed to have assigned its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the “*Erroneous Payment Impacted Class*”) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the “*Erroneous Payment Deficiency Assignment*”) at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to a Platform as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender or Issuing Lender shall deliver any Notes evidencing such Loans to the Borrower or the Administrative Agent, (ii) the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning Issuing Lender shall cease to be a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender or assigning Issuing Lender and (iv) the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or Issuing Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender or Issuing Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender or Issuing Lender and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender, Issuing Lender or Secured Party under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the “*Erroneous Payment Subrogation Rights*”).

(e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Administrative Agent from the Borrower or any other Loan Party for the purpose of making such Erroneous Payment.

(f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Administrative Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on “discharge for value” or any similar doctrine

(g) Each party’s obligations, agreements and waivers under this Section 9.15 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

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, supplemented or modified except in accordance with the provisions of this Section 10.1. The Required Lenders and each Loan Party party to the relevant Loan Document may, or, with the written consent of the Required Lenders, the Administrative Agent and each Loan Party party to the relevant Loan Document may, from time to time, (i) enter into written amendments, 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 Lenders or of the Loan Parties hereunder or thereunder or (ii) waive, on such terms and conditions as the Required Lenders or the Administrative Agent, as the case may be, 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 no such waiver and no such amendment, supplement or modification shall (A) forgive the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Term Loan, reduce the stated rate of any interest or fee payable hereunder (except that no amendment or modification of defined terms used in the financial covenants in this Agreement or waiver of any Default or Event of Default or the right to receive interest at the Default Rate shall constitute a reduction in the rate of interest or fees for purposes of this clause (A)) or extend the scheduled date of any payment thereof, or increase the amount or extend the expiration date of any Lender's Revolving Commitment or Term Commitment, in each case, without the written consent of each Lender directly affected thereby; (B) eliminate or reduce the voting rights of any Lender under this Section 10.1 without the written consent of such Lender; (C) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by the Borrower of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral or release all or substantially all of the Guarantors from their obligations under the Guarantee and Collateral Agreement, in each case without the written consent of all Lenders; (D) (i) amend, modify or waive the *pro rata* requirements of Section 2.18 or any other provision of the Loan Documents requiring *pro rata* treatment of the Lenders in a manner that adversely affects Revolving Lenders without the written consent of each Revolving Lender or (ii) amend, modify or waive the *pro rata* requirements of Section 2.18 or any other provision of the Loan Documents requiring *pro rata* treatment of the Lenders in a manner that adversely affects Term Lenders or the L/C Lenders without the written consent of each Term Lender and/or, as applicable, each L/C Lender; (E) reduce the percentage specified in the definition of Majority Revolving Lenders without the written consent of all Revolving Lenders or reduce the percentage specified in the definition of Majority Term Lenders without the written consent of all Term Lenders; (F) amend, modify or waive any provision of Section 9 without the written consent of the Administrative Agent; (G) amend, modify or waive any provision of Section 2.6 or 2.7 without the written consent of the Swingline Lender; (H) amend, modify or waive any provision of Section 3 without the written consent of the Issuing Lender; (I) (i) amend or modify the application of prepayments set forth in Section 2.12(c) or the application of payments set forth in Section 8.3 in a manner that adversely affects Revolving Lenders without the written consent of the Majority Revolving Lenders, (ii) amend or modify the application of prepayments set forth in Section 2.12(c) or the application of payments set forth in Section 8.3 in a manner that adversely affects Term Lenders or the L/C Lenders without the written consent of the Majority Term Lenders and, as applicable, the L/C Lenders, or (iii) amend or modify the application of payments provisions set forth in Section 8.3 in a manner that adversely affects the Issuing Lender, any Cash Management Bank or any Qualified Counterparty, as applicable, without the written consent of the Issuing Lender, such Cash Management Bank or any such Qualified Counterparty, as applicable; or (J) subordinate the Obligations under the Facilities or Liens securing such Obligations (other than with respect to Liens constituting purchase money Liens and Capital Lease Obligations) without the written consent of each Lender. Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Lenders and shall be binding upon the Loan Parties, the Lenders, the Administrative Agent, the Issuing Lender, each Cash Management Bank, each Qualified Counterparty, and all future holders of the Loans. In the case of any waiver, the Loan Parties, the Lenders and the Administrative Agent 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.

(b) Notwithstanding anything to the contrary contained in Section 10.1(a) above, in the event that (i) the Borrower requests that this Agreement or any of the other Loan Documents be amended or otherwise modified in a manner which would require the consent of all of the Lenders and

such amendment or other modification is agreed to by the Borrower, the Required Lenders and the Administrative Agent or (ii) any Disqualified Institution becomes a Lender in contravention of Section 10.6(b)(v), then, with the consent of the Borrower, the Administrative Agent and the Required Lenders, this Agreement or such other Loan Document may be amended without the consent of the Lender or Lenders who are unwilling to agree to such amendment or other modification (each, a “*Minority Lender*”), to provide for:

(i) the termination of the Commitment of each such Minority Lender;

(ii) the assumption of the Loans and Commitment of each such Minority Lender by one or more Replacement Lenders pursuant to the provisions of Section 2.23; and

(iii) the payment of all interest, fees and other obligations payable or accrued in favor of each Minority Lender and such other modifications to this Agreement or to such Loan Documents as the Borrower, the Administrative Agent and the Required Lenders may determine to be appropriate in connection therewith.

(c) Notwithstanding any provision herein to the contrary, this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, and the Borrower, (i) to add one or more additional credit or term loan facilities to this Agreement and to permit all such additional Credit Extensions and all related obligations and liabilities arising in connection therewith and from time to time outstanding thereunder to share ratably (or on a basis subordinated to the existing facilities hereunder) in the benefits of this Agreement and the other Loan Documents with the obligations and liabilities from time to time outstanding in respect of the existing facilities hereunder and (ii) in connection with the foregoing, to permit, as deemed appropriate by the Administrative Agent and approved by the Required Lenders, the Lenders providing such additional credit facilities to participate in any required vote or action required to be approved by the Required Lenders and Majority Revolving Lenders or Majority Term Lenders, as applicable.

(d) Notwithstanding any provision herein to the contrary, any Cash Management Agreement may be amended or otherwise modified by the parties thereto in accordance with the terms thereof without the consent of the Administrative Agent or any Lender.

(e) Notwithstanding any provision herein or in any other Loan Document to the contrary, no Cash Management Bank and no Qualified Counterparty shall have any voting or approval rights hereunder (or be deemed a Lender) solely by virtue of its status as the provider or holder of Cash Management Services or Specified Swap Agreements or Obligations owing thereunder, nor shall the consent of any such Cash Management Bank or Qualified Counterparty, as applicable, be required for any matter, other than in their capacities as Lenders, to the extent applicable.

10.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by facsimile or electronic mail), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered, or three Business Days after being deposited in the mail, postage prepaid, or, in the case of facsimile or electronic mail notice, when received, addressed as follows in the case of the Borrower, Holdings and the Administrative Agent, and as set forth in an administrative questionnaire delivered to the Administrative Agent in the case of the Lenders, or to such other address as may be hereafter notified by the respective parties hereto:

Borrower/Holdings: AirSculpt Technologies, Inc.
1200 Broadway, Suite 715
Nashville, Tennessee 37203
Attention: Dennis Dean
Facsimile: N/A
Telephone: 615-424-0121
E-Mail: ddean@elitebodysculpture.com
Website URL:
www.investors.elitebodysculpture.com

with a copy to:

McDermott Will & Emery LLP
333 SE 2nd Avenue, Suite 4500
Miami, Florida 33131-4336
Attention: Jerry Sokol
Facsimile: 305-347-6500
Telephone: 305-358-3500
E-Mail: jsokol.mwe.com
Website URL: www.mwe.com

and

McDermott Will & Emery LLP
2049 Century Park East, Suite 3200
Los Angeles, California 90067-3206
Attention: Adam G. Spiegel
Facsimile: 310-277-4730
Telephone: 310-277-4110
E-Mail: aspiegel@mwe.com
Website URL: www.mwe.com

Administrative Agent: Silicon Valley Bank
53 State Street
28th Floor
Boston, MA 02109
Attention: Keith Cox
E-Mail: kcox@svb.com

with a copy to:

Latham & Watkins LLP
1271 Avenue of the Americas
New York, NY 10020
Attention: Jesse K. Sheff
E-Mail: jesse.sheff@lw.com

provided that any notice, request or demand to or upon the Administrative Agent or the Lenders shall not be effective until received.

(a) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including email and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices to any Lender pursuant to Section 2 unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its 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 Administrative Agent otherwise prescribes, (i) 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); and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its email address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii), 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.

(b) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(c) (i) Each Loan Party agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Issuing Lender and the other Lenders by posting the Communications on the Platform.

(d) (ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "**Agent Parties**") have any liability to the Borrower or the other Loan Parties, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's, any Loan Party's or the Administrative Agent's transmission of communications through the Platform. "**Communications**" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Administrative Agent, any Lender or the Issuing Lender by means of electronic communications pursuant to this Section, including through the Platform.

10.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any 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 Credit Extensions hereunder.

10.5 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Administrative Agent), in connection with the syndication of the Facilities, the preparation, negotiation, execution, delivery and administration of 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), (ii) all reasonable and documented out-of-pocket expenses incurred by the Issuing Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, and (iii) all documented and out-of-pocket expenses incurred by the Administrative Agent or any Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made or Letters of Credit issued or participated in hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Administrative Agent (and any sub-agent thereof), each Lender (including the Issuing Lender), and each Related Party of any of the foregoing Persons (each such Person being called an “*Indemnitee*”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and reasonable and documented out-of-pocket expenses (including the 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) other than such Indemnitee and its Related Parties 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 Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Materials of Environmental Concern on or from any property owned or operated by Holdings or any of its Subsidiaries, or any Environmental Liability related in any way to Holdings 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 (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction, or (z) result from disputes between and among Indemnitees (other than disputes against the Administrative Agent or any Joint Leader Arranger in such capacity or related to any act or omission by Holdings of its Affiliates). 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) Reimbursement by Lenders. To the extent that the Borrower for any reason fails indefeasibly to pay any amount required under paragraph (a) or (b) of this Section to be paid by it to the Administrative Agent (or any sub-agent thereof), the Issuing Lender, the Swingline Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Issuing Lender, the Swingline Lender or such Related Party, as the case may be, such Lender's *pro rata* share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's share of the Total Credit Exposure at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that with respect to such unpaid amounts owed to the Issuing Lender or the Swingline Lender solely in its

capacity as such, only the Revolving Lenders shall be required to pay such unpaid amounts, such payment to be made severally among them based on such Revolving Lenders' Revolving Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) provided, further, that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent), the Issuing Lender or the Swingline Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent), the Issuing Lender or the Swingline Lender in connection with such capacity. The obligations of the Lenders under this paragraph (c) are subject to the provisions of Sections 2.1, 2.4 and 2.20(e).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable law, the Borrower 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, any Loan or Letter of Credit, 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.

(e) Payments. All amounts due under this Section shall be payable within 15 days of written demand therefor.

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

10.6 Successors and Assigns; Participations and Assignments.

(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 (which, for purposes of this Section 10.6, shall include any Cash Management Bank and any Qualified Counterparty, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent and each Lender, and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of paragraph (b) of this Section, (ii) by way of participation in accordance with the provisions of Section 10.6(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.6(e) (and any other attempted assignment or transfer by any party hereto shall be null and void). 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, Participants to the extent provided in paragraph (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (in each case with respect to any Facility) any such assignment shall be subject to the following conditions:

(i) Minimum Amounts.

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it (in each case with respect to any Facility) or contemporaneous assignments to related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in paragraph (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B) in any case not described in paragraph (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if “**Trade Date**” is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$3,000,000, in the case of any assignment in respect of the Revolving Facility, or \$10,000,000, in the case of any assignment in respect of the Term Facility, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii) Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender’s rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-*pro rata* basis.

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section and, in addition:

(A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof, and provided, further, that the Borrower’s consent shall not be required during the primary syndication of the Facilities;

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of (i) the Revolving Facility or any unfunded Commitments with respect to the Term Facility if such assignment is to a Person that is not a Lender with a Commitment in respect of such Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender, or (ii) any Term Loans to a Person who is not a Lender, an Affiliate of a Lender or an Approved Fund; and

(C) the consent of the Issuing Lender (such consents not to be unreasonably withheld, delayed or conditioned) shall be required for any assignment in respect of the Revolving Facility.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500; provided that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Administrative Agent any such administrative questionnaire as the Administrative Agent may request.

(v) No Assignment to Certain Persons. No such assignment shall be made to (A) the Borrower or any of the Borrower’s Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B), or (C) any Disqualified Institution without the consent of the Borrower (so long as no Event of Default has occurred and is continuing).

(vi) No Assignment to Natural Persons. No such assignment shall be made to a natural Person (or a holding company, investment vehicle or trust established for, or owned and operated for the primary benefit of, a natural Person).

(vii) Certain Additional Payments. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless

and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Issuing Lender, the Swingline Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Letters of Credit and Swingline Loans in accordance with its Revolving Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to paragraph (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 2.19, 2.20, 2.21 and 10.5 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (d) of this Section.

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in California a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower (provided that so long as no Event of Default has occurred and is continuing, the Borrower's consent shall be required to sell participations to any Disqualified Institution) or the Administrative Agent, sell participations to any Person (other than a natural Person, a holding company, investment vehicle or trust established for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent, the Issuing Lender and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnities under Sections 2.20(e) and 9.7 with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver which affects such Participant and for which the consent of such Lender is required (as described in Section 10.1). The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.19, 2.20 and 2.21 (subject to the requirements and limitations therein, including the requirements under Section 2.20(f) (it being understood that the documentation required under Section 2.20(f) shall be delivered by such Participant to the Lender granting such participation)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.6(b); provided that such Participant (A) agrees to be subject to the provisions of Sections 2.23 as if it were an assignee under Section 10.6(b); and (B) shall not be entitled to receive any greater payment under Sections 2.19 or 2.20, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in any Requirement of Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.23 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.7 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.18(k) as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) or Proposed Section 1.163-5(b) (or, in each case, any amended or successor sections) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(e) Certain Pledges. Any 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 such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f) Notes. The Borrower, upon receipt by the Borrower of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in Section 10.6.

(g) Representations and Warranties of Lenders. Each Lender, upon execution and delivery hereof or upon succeeding to an interest in the Commitments or Loans, as the case may be, represents and warrants as of the Closing Date or as of the effective date of the applicable Assignment and Assumption that (i) it is an Eligible Assignee; (ii) it has experience and expertise in the making of or investing in commitments, loans or investments such as the Commitments and Loans; and (iii) it will make or invest in its Commitments and Loans for its own account in the ordinary course of its business

and without a view to distribution of such Commitments and Loans within the meaning of the Securities Act or the Exchange Act, or other federal securities laws (it being understood that, subject to the provisions of this Section 10.6, the disposition of such Commitments and Loans or any interests therein shall at all times remain within its exclusive control).

(h) Disqualified Institutions. The Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Disqualified Institutions. Without limiting the generality of the foregoing, the Administrative Agent shall not (x) be obligated to ascertain, monitor or inquire as to whether any Lender or Participant or prospective Lender or Participant is a Disqualified Institution or (y) have any liability with respect to or arising out of any assignment or participation of Loans or Commitments, or disclosure of confidential information, to any Disqualified Institution. The Administrative Agent shall have the right, and the Borrower hereby expressly authorizes the Administrative Agent, to (A) post the list of Disqualified Institutions provided by the Borrower and any updates thereto from time to time on a Platform, including that portion of such Platform that is designated for “public side” Lenders and/or (B) provide the list of Disqualified Institutions to each Lender requesting the same.

10.7 Adjustments; Set-off.

(a) Except to the extent that this Agreement expressly provides for payments to be allocated to a particular Lender or to the Lenders under a particular Facility, if any Lender (a “**Benefitted Lender**”) shall, at any time after the Loans and other amounts payable hereunder shall immediately become due and payable pursuant to Section 8.2, receive any payment of all or part of the Obligations owing to it, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 8.1(f), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of the Obligations owing to such other Lender, such Benefitted Lender shall purchase for cash from the other Lenders a participating interest in such portion of the Obligations owing to each such other Lender, or shall provide such other Lenders with the benefits of any such collateral, as shall be necessary to cause such Benefitted Lender to share the excess payment or benefits of such collateral ratably with each of the Lenders; provided that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefitted Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest.

(b) Upon (i) the occurrence and during the continuance of any Event of Default and (ii) obtaining the prior written consent of the Administrative Agent, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, without prior notice to Holdings, the Borrower or any other Loan Party, any such notice being expressly waived by Holdings, 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 such Lender, its Affiliates or any branch or agency thereof to or for the credit or the account of Holdings, the Borrower or any other Loan Party, as the case may be, against any and all of the obligations of Holdings, the Borrower or such other Loan Party now or hereafter existing under this Agreement or any other Loan Document to such Lender or its Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of Holdings, the Borrower or such other Loan Party may be contingent or unmatured or are owed to a branch, office or Affiliate of such Lender different from the branch, office or Affiliate holding such deposit or obligated on such indebtedness; provided, that in the event that any Defaulting Lender or any of its Affiliates shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.23 and, pending such payment, shall be segregated by such Defaulting Lender or Affiliate thereof from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such Defaulting Lender or Affiliate thereof as to which it exercised such right of setoff. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application made by such Lender or any of its Affiliates; provided that

the failure to give such notice shall not affect the validity of such setoff and application. Notwithstanding the provisions of this Section 10.7, if at any time any Lender, the Issuing Lender or any of their respective Affiliates maintains one or more deposit accounts for the Borrower or any other Loan Party into which Medicare and/or Medicaid receivables are deposited, such Person shall waive the right of setoff set forth herein. The rights of each Lender and its Affiliates under this Section 10.7 are in addition to other rights and remedies (including other rights of set-off) which such 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 Administrative Agent or any Lender, or the Administrative Agent or any 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 Administrative Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any Insolvency Proceeding or otherwise, then (a) 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, and (b) each Lender severally agrees to pay to the Administrative Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Administrative Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect. The obligations of the Lenders under clause (b) of the preceding sentence shall survive the Discharge of Obligations.

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 Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a 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 of Assignments.

(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. A set of the copies of this Agreement signed by all the parties shall be lodged with the Borrower and the Administrative Agent.

(b) The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption 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 or the use of a paper-based recordkeeping system, as the case may be, 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. Without limiting the foregoing provisions of this Section 10.11, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited under or in connection with any Insolvency Proceeding, as determined in good faith by the Administrative

Agent or the Issuing Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited.

10.12 Integration. This Agreement and the other Loan Documents represent the entire agreement of Holdings, the Borrower, the other Loan Parties, the Administrative Agent and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any 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, THE OTHER LOAN DOCUMENTS, AND ANY CLAIM, CONTROVERSY, DISPUTE, CAUSE OF ACTION, OR PROCEEDING (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) BASED UPON, ARISING OUT OF, CONNECTED WITH, OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY, AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO AND THERETO, SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE INTERNAL LAWS (AND NOT THE CONFLICT OF LAW RULES) 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) agrees that all disputes, controversies, claims, actions and other proceedings involving, directly or indirectly, any matter in any way arising out of, related to, or connected with, this Agreement, any other Loan Document, any contemplated transactions related hereto or thereto, or the relationship between any Loan Party, on the one hand, and the Administrative Agent or any Lender or any other Secured Party, on the other hand, and any and all other claims of any of Holdings and the Borrower against the Administrative Agent or any Lender or any other Secured Party of any kind, shall be brought only in a federal or state court located in the borough of Manhattan, in New York City; provided that nothing in this Agreement shall be deemed to operate to preclude the Administrative Agent or any Lender or any other Secured Party 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 Administrative Agent or such Lender or any other Secured Party. Each of Holdings and the Borrower (i) expressly submits and consents in advance to such jurisdiction in any action or suit commenced in any such court and to the selection of any referee referred to below, (ii) 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, and (iii) agrees that it shall not file any motion or other application seeking to change the venue of any such suit or other action. Each of Holdings and the Borrower hereby waives personal service of any summons, complaints, and other process issued in any such action or suit and agrees that service of any such summons, complaints, and other process may be made by registered or certified mail addressed to the Borrower or Holdings at the address set forth in Section 10.2 of this Agreement and that service so made shall be deemed completed upon the earlier to occur of the Borrower's or Holdings', as applicable, actual receipt thereof or three days after deposit in the U.S. mails, proper postage prepaid;

(b) **WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ITS RIGHT TO A JURY TRIAL OF ANY CLAIM, CAUSE OF ACTION, OR PROCEEDING (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) BASED UPON, ARISING OUT OF, CONNECTED WITH, OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT, OR ANY TRANSACTION CONTEMPLATED HEREBY AND THEREBY, AMONG ANY OF THE PARTIES HERETO AND THERETO. THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE PARTIES HERETO TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS. EACH OF HOLDINGS AND THE BORROWER HAS REVIEWED THIS WAIVER WITH ITS COUNSEL;**

(c) **AGREES, WITHOUT INTENDING IN ANY WAY TO LIMIT ITS AGREEMENT TO WAIVE ITS RIGHT TO A TRIAL BY JURY**, that if (i) any action or proceeding is filed in a court of the State of New York by or against any party hereto in connection with any of the transactions contemplated by this Agreement or any other Loan Document, and (ii) the above waiver of the right to a trial by jury is held by a court to be unenforceable, any and all disputes or controversies of any nature arising under this Agreement, any other Loan Document, or any contemplated transactions related hereto or thereto among any of the parties hereto or thereto at any time shall be decided by a reference to a referee who shall be a retired state or federal judge with judicial experience in civil matters, mutually selected by the Borrower, the Administrative Agent and the Lenders appointed in accordance with New York State law, sitting without a jury, in the borough of Manhattan, in New York City; and the Borrower hereby submits to the jurisdiction of such court. The referee shall have the power, among others, to grant provisional relief, including without limitation, entering temporary restraining orders, issuing preliminary and permanent injunctions and appointing receivers. All such proceedings shall be closed to the public and confidential and all records relating thereto shall be permanently sealed. If during the course of any action, a party hereto desires to seek provisional relief in the action or with respect to any Collateral located within the State of New York, but a referee has not been appointed at that point pursuant to the judicial reference procedures, then such party may apply to the appropriate state or federal court in the State of New York for such relief. The proceeding before the referee shall be conducted in the same manner as it would be before a court under the rules of evidence applicable to judicial proceedings. The parties shall be entitled to discovery which shall be conducted in the same manner as it would be before a court under the rules of discovery applicable to judicial proceedings. The referee shall oversee discovery and may enforce all discovery rules and orders applicable to judicial proceedings in the same manner as a trial court judge. Each of Holdings and the Borrower agrees that the selected or appointed referee shall have the power to decide all issues in the action or proceeding, whether of fact or law, and shall report a statement of decision thereon pursuant to New York State law. Nothing in this paragraph shall limit the right of the Administrative Agent or any Lender at any time to exercise self-help remedies, foreclose against Collateral, or obtain provisional remedies. The referee shall also determine all issues relating to the applicability, interpretation and enforceability of this paragraph; 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. Each of Holdings and 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) none of the Administrative Agent nor any Lender has any fiduciary relationship with or duty to Holdings or the Borrower arising out of or in connection with this Agreement or any of the other Loan Documents, and the relationship between the Administrative Agent and Lenders, on one hand, and Holdings and the Borrower, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c) no joint venture is created hereby or by the other Loan Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among Holdings, the Borrower and the Lenders.

10.16 [Reserved].

10.17 Treatment of Certain Information; Confidentiality. Each of the Administrative Agent and each Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any

self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process; (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder; (g) on a confidential basis to (i) any rating agency in connection with rating Holdings, the Borrower or their respective Subsidiaries or the Facilities or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Facilities; (h) with the consent of the Borrower; or (i) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Administrative Agent, any Lender or any of their respective Affiliates on a non-confidential basis from a source other than the Borrower. In addition, the Administrative Agent, the Lenders, and any of their respective Related Parties, may (A) disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Administrative Agent or the Lenders in connection with the administration of this Agreement, the other Loan Documents, and the Commitments; and (B) use any information (not constituting Information subject to the foregoing confidentiality restrictions) related to the syndication and arrangement of the credit facilities contemplated by this Agreement in connection with marketing, press releases, or other transactional announcements or updates provided to investor or trade publications, including the placement of “tombstone” advertisements in publications of its choice at its own expense.

Each of the Administrative Agent, the Lenders, and the Issuing Lender acknowledges that (x) the Information may include material non-public information concerning Holdings, the Borrower or a Subsidiary, as the case may be, (y) it has developed compliance procedures regarding the use of material non-public information, and (z) it will handle such material non-public information in accordance with applicable Requirements of Law, including applicable federal and state securities laws, rules and regulations.

Notwithstanding anything herein to the contrary, any party to this Agreement (and any employee, representative, or other agent of any party to this Agreement) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Agreement and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure. However, any such information relating to the tax treatment or tax structure is required to be kept confidential to the extent necessary to comply with any applicable federal or state securities laws, rules, and regulations.

For purposes of this Section, “**Information**” means all information received from Holdings or any of its Subsidiaries relating to Holdings or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a non-confidential basis prior to disclosure by Holdings or any of its Subsidiaries; provided that, in the case of information received from Holdings or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

During the course of field examinations and other visits, inspections, examinations and discussions, representatives of Administrative Agent and the Lenders may encounter individually identifiable healthcare information as defined under HIPAA, or other confidential information relating to

healthcare patients (collectively, the “**Confidential Healthcare Information**”). The Loan Parties maintaining such Confidential Healthcare Information shall, consistent with HIPAA’s “minimum necessary” provisions, permit such disclosure for their “healthcare operations” purposes. Unless otherwise required by law, Administrative Agent, the Lenders and their respective representatives shall not require or perform any act that would cause the Loan Parties to violate any laws, regulations or ordinances intended to protect the privacy rights of healthcare patients, including HIPAA.

10.18 Automatic Debits. With respect to any principal, interest, fee, or any other cost or expense (including attorney costs of the Administrative Agent or any Lender payable by the Borrower hereunder) due and payable to the Administrative Agent or any Lender under the Loan Documents, the Borrower hereby irrevocably authorizes the Administrative Agent to debit any deposit account (other than an Excluded Account) of the Borrower maintained with the Administrative Agent in an amount such that the aggregate amount debited from all such deposit accounts does not exceed such principal, interest, fee or other cost or expense. If there are insufficient funds in such deposit accounts to cover the amount then due, such debits will be reversed (in whole or in part, in the Administrative Agent’s sole discretion) and such amount not debited shall be deemed to be unpaid. No such debit under this Section 10.18 shall be deemed a set-off.

10.19 [Reserved].

10.20 Patriot Act. Each Lender and the Administrative Agent (for itself and not on behalf of any other party) hereby notifies Holdings and the Borrower and each other Loan Party that, pursuant to the requirements of “know your customer” and anti-money-laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation, it is required to obtain, verify and record information that identifies Holdings and the Borrower and each other Loan Party, which information includes the names and addresses and other information that will allow such Lender or the Administrative Agent, as applicable, to identify Holdings and the Borrower and each other Loan Party in accordance with such rules and regulations. Each of Holdings and 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 Administrative Agent or any Lender to assist the Administrative Agent or any such Lender in maintaining compliance with such applicable rules and regulations.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

AIRSCULPT TECHNOLOGIES, INC.,
as Holdings

By: __
Name: __
Title: __

EBS INTERMEDIATE PARENT LLC,
as Intermediate Holdings

By: __
Name: __
Title: __

EBS ENTERPRISES LLC,
as the Borrower

By: __
Name: __
Title: __

[Signature Page to Credit Agreement]

FIRST-CITIZENS BANK & TRUST COMPANY,
as the Administrative Agent

By: ___
Name: ___
Title: ___

[Signature Page to Credit Agreement]

FIRST-CITIZENS BANK & TRUST COMPANY,
as Issuing Lender, Swingline Lender and as a Lender

By: ___
Name: ___
Title: ___

[Signature Page to Credit Agreement]

LIMITED GUARANTEE

This Limited Guarantee, dated as of March 12, 2025 (this "Limited Guarantee"), by each Person listed under "Guarantors" on the signature pages hereto (the "Guarantors"), is in favor of Silicon Valley Bank, a division of First-Citizens Bank & Trust Company, as administrative agent (in such capacity, the "Administrative Agent") for itself and the other lenders (the "Lenders") from time to time party to that certain Credit Agreement, dated as of November 7, 2022, by and among Airsculpt Technologies, Inc. (the "Parent"), EBS Intermediate Parent LLC, EBS Enterprises LLC (the "Borrower"), Lenders, and the Administrative Agent (as the same may be amended, supplemented or otherwise modified from time to time, the "Credit Agreement").

WHEREAS, pursuant to the Credit Agreement, the Lenders have agreed to make Loans and other financial accommodations to the Borrower upon the terms and subject to the conditions set forth therein;

WHEREAS, each Guarantor acknowledges that the Borrower, the Administrative Agent and certain Lenders are entering into that certain Third Amendment to Credit Agreement, dated as of the date hereof (the "Third Amendment");

WHEREAS, it is a condition precedent to the effectiveness of the Third Amendment that each Guarantor shall have executed and delivered this Limited Guarantee to the Administrative Agent for its benefit and the benefit of the Lenders;

WHEREAS, each Guarantor will derive substantial direct and indirect benefit from the Lenders' entering into the Third Amendment; and

NOW, THEREFORE, in consideration of the foregoing premises and to induce the Administrative Agent and the Lenders to enter into the Third Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Guarantor hereby agrees with the Administrative Agent, for its benefit and the benefit of the Lenders, as follows.

1. DEFINITIONS. For purposes of this Limited Guarantee, the following terms shall have the following meanings. Capitalized terms used herein but not defined herein shall have the meanings given thereto in the Credit Agreement.

"Available Capital Commitment" means, with respect to each Guarantor, on any date of determination, an amount equal to the sum of (a) the aggregate amount of all capital commitments (including, for the avoidance of doubt, any callable or recyclable capital) of all of the partners and other investors in the Guarantor then available to be called; provided that such amount shall not include (i) commitments of limited partners or other investors of the Guarantor who are in default of their commitments, (ii) commitments of limited partners or other investors who have notified the Guarantor that they will not be funding their commitments or have terminated their commitments, or (iii) commitments that cannot be applied to funding under this Limited Guarantee pursuant to any contractual restrictions, including restrictions in the Guarantor's fund documents, plus (b) all unrestricted cash and Cash Equivalents of the

Guarantor, which are available to invest, minus (c) the aggregate outstanding amount of the Guarantor's Other Obligations, in each case, as of such date of determination.

“Callable Amount” means:

- (1) upon the occurrence of a Triggering Event under clause (1) of the definition thereof, the sum of (a) \$10,000,000 *less* the Capital Raise Amount as of June 15, 2025, and (b) the amount by which Liquidity is less than \$10,000,000 as of June 15, 2025; provided that if the Capital Raise Amount is greater than \$10,000,000 as of June 15, 2025 then the amount calculated pursuant to foregoing clause (a) shall be zero, and if Liquidity is greater than \$10,000,000 the amount calculated pursuant to foregoing clause (b) shall be zero;
- (2) upon the occurrence of a Triggering Event under clause (2) of the definition thereof, the amount that, if added to the Consolidated EBITDA as of the last day of the applicable Fiscal Quarter, would have resulted in the Loan Parties having been in compliance with Section 7.1(a) or Section 7.1(b) of the Credit Agreement;
- (3) upon the occurrence of a Triggering Event under clause (3) of the definition thereof, the amount that, if added to the Liquidity of Holdings and its Subsidiaries as of the last day of the Fiscal Quarter or calendar month, as applicable, would have resulted in the Loan Parties having been in compliance with Section 7.1(c) of the Credit Agreement; and
- (4) upon the occurrence of any other Triggering Event, the Guaranteed Obligations.

“Capital Raise Amount” means, during the period between the date hereof and June 15, 2025, the aggregate amount of cash proceeds actually received by the Administrative Agent (for its benefit and the benefit of the Lenders) (a) contributed by the Parent, directly or indirectly, to the Loan Parties resulting from one or more equity offerings of Parent, or (b) funded by non-Loan Parties as unsecured debt to the Loan Parties, provided that such unsecured debt is subject to a subordination agreement in form and substance acceptable to the Administrative Agent.

“Costs and Expenses” shall have the meaning set forth in Section 4(a).

“Enforcement Expenses” means the aggregate amount of applicable Costs and Expenses, and any interest thereon due under Section 4 hereof.

“Guaranteed Obligations” means all Obligations outstanding at any time from and after any Triggering Event.

“Guarantor Bankruptcy Event” means, with respect to each Guarantor, any of the events specified in Section 8.1(f) of the Credit Agreement as applied to such Guarantor as if such Guarantor were a “Loan Party” under the Credit Agreement.

“Material Adverse Effect” means any event, act, omission, condition or circumstance which, individually or in the aggregate, has a material adverse effect on (a) with respect to each Guarantor, the ability of each Guarantor to perform its obligations hereunder or (b) the validity or enforceability of this Limited Guarantee or the rights and remedies of the Administrative Agent vis-à-vis each Guarantor.

“Maximum Amount” means (a) \$10,000,000 less (b) the aggregate principal amount of Term Loan prepayments (other than regularly scheduled amortization payments) in excess of \$10,000,000 actually received by the Administrative Agent from and after the date hereof; *provided* that the funds used to make such prepayments are not derived from any source or on account of any sale or other transaction or event that is prohibited under the Credit Agreement).

“Other Obligations” means, with respect to any Guarantor, without duplication, the collective reference to all obligations and liabilities of the Guarantor, excluding the obligations of the Guarantor under this Limited Guarantee.

“Pro Rata Percentage” means, with respect to each Guarantor, the percentage set forth next to such Guarantor’s name on Schedule A hereto.

“Triggering Event” means the occurrence of any of the following conditions and/or events, whether voluntary or involuntary, by operation of law or otherwise:

- (1) June 15, 2025;
- (2) an Event of Default under Section 8.1(c) of the Credit Agreement on account of the Borrower’s failure to comply with Section 7.1(a) or Section 7.1(b) of the Credit Agreement;
- (3) an Event of Default under Section 8.1(c) of the Credit Agreement as a result of any Loan Party’s failure to comply with Section 7.1(c) of the Credit Agreement;
- (4) the third Business Day following an Event of Default under Section 6.1, Section 6.2(b), clause (i) or clause (ii) of Section 6.5(a), Section 6.8(a), or Section 6.10 of the Credit Agreement, unless within such three (3) Business Day period Holdings and/or its Subsidiaries shall have performed such actions that, if they had been timely performed, would have prevented such Event of Default from occurring;
- (5) an Event of Default under Section 8.1(a) or Section 8.1(f) of the Credit Agreement;

- (6) the acceleration of the Obligations pursuant to Section 8.2 of the Credit Agreement; and
- (7) any Guarantor Event of Default.

2. GUARANTEE.

(a) Each Guarantor hereby unconditionally and irrevocably guaranties the Administrative Agent, for its benefit and the benefit of the Lenders and their respective successors, endorsees, transferees and assigns, the complete payment by the Borrower and the other Loan Parties of the Guaranteed Obligations in the manner and at the time specified in this Section 2(a). Upon the occurrence of a Triggering Event, each Guarantor shall, within twenty (20) Business Days after demand by the Administrative Agent, pay its Pro Rata Percentage of the Callable Amount to the Administrative Agent. The Administrative Agent may make demand for payment (up to such Callable Amount) under this Limited Guarantee at any time, and from time to time (and in multiple demands), from and after the occurrence of any Triggering Event, whether or not the Guaranteed Obligations are otherwise due and payable by Borrower at such time, and without any other condition, event or occurrence having to exist as a condition to Administrative Agent making such demand.

(b) No payment received or collected by the Administrative Agent or any Lender from the Borrower or any Loan Party, including by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time, in reduction of or in payment of the Obligations, shall be deemed to modify, reduce, release or otherwise affect the liability hereunder of the Guarantor, which shall, notwithstanding any such payment, remain liable for the Guaranteed Obligations until the Guarantee Termination Date. Each Guarantor acknowledges and agrees that any and all repayments and prepayments of, or proceeds applied to, any of the Obligations (other than payments made by each Guarantor to Administrative Agent pursuant to this Limited Guarantee) shall be deemed applied first to Obligations not constituting Guaranteed Obligations before being applied to Obligations constituting Guaranteed Obligations.

(c) Payments by each Guarantor hereunder shall be paid to the Administrative Agent in immediately available funds by wire transfer to the account of the Administrative Agent specified in the Credit Agreement as the account to which the Borrower will make required payments of principal and interest (or to such other account or by such other means or to such other address as the Administrative Agent shall have notified such Guarantor in writing) in the currency in which such Obligation is payable under the Credit Agreement. The Guarantor shall pay the Administrative Agent in the manner set forth in the preceding sentence within twenty (20) Business Days after demand by Administrative Agent in accordance with Section 2(a).

(d) Notwithstanding anything to the contrary contained herein, the liability hereunder of each Guarantor in respect of the Guaranteed Obligations shall not exceed each Guarantor's Pro Rata Percentage of the Maximum Amount (in addition to any amounts for which each Guarantor may become liable pursuant to Section 4).

3. PARENT SECURITIES. In the event any Guarantor is required under this Limited Guarantee to make any payment in respect of its Pro Rata Percentage of the Guaranteed Obligation, except in the event that such payment is required as a result of the occurrence of an Event of Default under Section 8.1(f) of the Credit Agreement, (a) such Guarantor shall be deemed to have purchased, shares of the Parent (the "Parent Securities") having an aggregate value equal to the amount of such payment (together with any expenses incurred by such Guarantor in connection with this Limited Guarantee), with each Parent Security having a value for such purpose equal to the then-current market value of the Parent Securities. Parent hereby

agrees (on behalf of itself and each of its Subsidiaries, including the Borrower) to issue a subordinated note to any Guarantor to the extent such Guarantor does not opt to receive Parent Securities.

4. ENFORCEMENT EXPENSES; INTEREST.

(a) Each Guarantor agrees to pay or reimburse the Administrative Agent for such Guarantor's Pro Rata Percentage of all the Administrative Agent's reasonable and documented out of pocket costs and expenses incurred in collecting any amounts hereunder or otherwise enforcing, preserving or analyzing any rights under this Limited Guarantee, including the fees and disbursements of one (1) primary firm of outside counsel (and any special or local counsel as may be reasonably required) to the Administrative Agent incurred for advice, suit, appeal, or in connection with any actual or potential insolvency or other proceedings under the Bankruptcy Code or otherwise (collectively, the "Costs and Expenses").

(b) All obligations hereunder, including all Costs and Expenses, that are not paid on the due date thereof shall bear interest at a rate per annum equal to the default rate of interest payable under the Credit Agreement in respect of Revolving Loans that are ABR Loans for the period from and including the due date thereof through and including the date of indefeasible payment in full in cash of all such overdue amounts.

5. REPRESENTATIONS AND WARRANTIES. To induce the Administrative Agent and the Lenders to enter into the Third Amendment, each Guarantor hereby represents and warrants that:

(a) Each Guarantor is duly formed, registered, validly existing and in good standing under the laws of the jurisdiction of its registration.

(b) The execution, delivery and performance by each Guarantor of this Limited Guarantee (a) are within each Guarantor's limited partnership powers and, at the time of execution thereof, have been duly authorized by all necessary parties, (b) do not (i) contravene each Guarantor's constituent documents, (ii) violate any requirement of law or (iii) conflict with, contravene, constitute a default or breach under, or result in or permit the termination or acceleration of, any material contractual obligation of each Guarantor other than those conflicts, contraventions, defaults, breaches, terminations, or accelerations that would not, in the aggregate, reasonably be expected to have a Material Adverse Effect and (c) do not require any permit of, or filing with, any governmental authority or any consent of, or notice to, any Person, other than those that, if not obtained, would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) From and after its delivery to the Company, this Limited Guarantee has been duly executed and delivered to the other parties hereto by each Guarantor, is the legal, valid and binding obligation of each Guarantor and is enforceable against each Guarantor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability.

(d) Each Guarantor's Available Capital Commitment equals or exceeds its Pro Rata Percentage of the Maximum Amount, as certified by such Guarantor's chief financial officer.

(e) There are no pending (or, to the knowledge of each Guarantor, threatened) actions, investigations, suits, proceedings, audits, claims, demands, orders or disputes affecting

any of the Guarantors with, by or before any governmental authority other than those that would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(f) No Guarantor is in default with respect to any of its contractual obligations, other than those defaults that would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

6. COVENANTS. Each Guarantor covenants and agrees that, from and after the date of this Limited Guarantee until the Guarantee Termination Date:

(a) Each Guarantor shall maintain at all times an Available Capital Commitment in an amount that equals or exceeds its Pro Rata Percentage of the Maximum Amount *less* any amounts funded by the Guarantors under this Limited Guarantee that are actually received by the Administrative Agent (for its benefit and the benefit of the Lenders).

(b) Each Guarantor shall (a) preserve and maintain its legal existence and (b) preserve and maintain its rights (charter and statutory), privileges, franchises and permits necessary or desirable in the conduct of its business, except, in the case of clause (b), where the failure to do so would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(c) Each Guarantor shall comply with all requirements of law, contractual obligations and permits, except for such failures to comply that would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

(d) Each Guarantor will not voluntarily dissolve, liquidate, or wind up its affairs, or be a party to any transaction of merger or consolidation in which each such Guarantor merges or consolidates with or into another Person unless such applicable Guarantor is the surviving Person.

(e) Each Guarantor's agreement of limited partnership shall not be amended in any way that (a) would have a Material Adverse Effect on each such Guarantor's ability to perform its respective obligations hereunder or (b) is inconsistent with this Limited Guarantee, including the representations and warranties contained in Section 3.

7. SUCCESSORS AND ASSIGNS. The provisions of this Limited Guarantee shall be binding upon the successors and assigns of each Guarantor and shall inure to the benefit of the Administrative Agent and its successors and assigns (for the benefit of itself and the Lenders); provided that each Guarantor may not assign, transfer, or delegate any of its rights or obligations under this Limited Guarantee without the prior written consent of the Administrative Agent, any such purported assignment, transfer or delegation without such consent being null and void.

8. NOTICES. All notices, requests, claims, demands and other communications hereunder shall be given by the means specified in the Credit Agreement (and shall be deemed given as specified therein), as follows:

If to Guarantor: c/o Vesey Street Capital Partners
428 Greenwich Street
New York, NY 10013
Attention: Daniel Sollof; Bryan Sekino
Email: dan@vscpllc.com; bryan@vscpllc.com

With copies (which shall not constitute notice) to Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
Attention: Aditi Iyer, P.C.; Leonard Kim
Email: aditi.iyer@kirkland.com; leonard.kim@kirkland.com

If to the Administrative Agent: Silicon Valley Bank
53 State Street
Boston, MA 02109
Attention: Keith Cox
Email: kcox@svb.com

With copies (which shall not constitute notice) to: Latham & Watkins LLP
1271 6th Ave
New York, NY 10020
Attention: Jesse Sheff; Helen Lui
Email: Hajjing.Liu@lw.com; Jesse.Sheff@lw.com

9. CONTINUING GUARANTEE.

(a) This Limited Guarantee shall remain in full force and effect until the earliest to occur of (a) the date on which all the Obligations under the Credit Agreement, including the Guaranteed Obligations (but excluding contingent indemnity Obligations for which no demand has been made), have been satisfied by payment in full in cash, all Commitments under the Credit Agreement have been terminated and all Letters of Credit Issued under the Credit Agreement have expired, have been discharged, or have been cash collateralized in accordance with the terms of the Credit Agreement (the "Paid in Full Date"), (b) the date on which the Administrative Agent has received payment in cash from the Guarantors in respect of, and in aggregate amount equal to, the Maximum Amount, plus any Enforcement Expenses, and (c) the date on which the aggregate principal amount of Term Loan prepayments (other than regularly scheduled amortization payments) actually received by the Administrative Agent from and after the date hereof is at least \$20,000,000; provided that the funds used to make such prepayments are not derived from any source or on account of any sale or other transaction or event that is prohibited under the Credit Agreement (the earliest to occur of clauses (a) through (c), the "Guarantee Termination Date"). Thereafter, but subject to the following, the Administrative Agent shall take such action and execute such documents as the Guarantor may reasonably request (and at the Guarantors' or Borrower's cost and expense) in order to evidence the termination of this Limited Guarantee.

(b) Notwithstanding the occurrence of the Guarantee Termination Date, each Guarantor further agrees that, to the extent that the Borrower, each Guarantor, or any other

Person makes a payment or payments to the Administrative Agent or any of the Lenders on the Obligations, or the Administrative Agent or the Lenders receive any proceeds of Collateral securing the Obligations or any other payments with respect to the Obligations, which payment or receipt of proceeds or any part thereof is subsequently avoided, rescinded, invalidated, declared to be fraudulent or preferential, set aside or required to be returned or repaid to the Borrower, its estate, trustee, receiver, debtor in possession or any other Person, including the Guarantor, (a) under any insolvency or bankruptcy law, state or federal law, common law or equitable cause, or (b) upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Borrower, any other Credit Party or the Guarantor or any substantial part of its property, or (c) for any similar reason, then to the extent of such payment, return or repayment, this Limited Guarantee shall either be reinstated or continue in full force and effect in accordance with its terms, all as though such payment or payments had not been made, notwithstanding any contrary action that may have been taken by the Administrative Agent or the Lenders in reliance upon such payment, and any such contrary action so taken shall be without prejudice to the Administrative Agent's or the Lenders' rights under this Limited Guarantee and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

10. NO SUBROGATION. Notwithstanding (a) any payment made by any Guarantor hereunder, (b) any set-off or application of funds of the Guarantor by the Administrative Agent or any Lender, or (c) any application by the Administrative Agent or any Lender of any other assets of the Guarantor subject to liens granted by the Guarantor as security for the Guaranteed Obligations, such Guarantor shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Borrower or any other Loan Party or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Guaranteed Obligations, nor shall the Guarantor seek or be entitled to any contribution or reimbursement from the Borrower or any other Loan Party in respect of payments made by the Guarantor hereunder, in each case until the Paid in Full Date. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time prior to the Paid in Full Date, such amount shall be held by the Guarantor in trust for the Administrative Agent and the Lenders, segregated from other funds of the Guarantor, and shall, forthwith upon receipt by the Guarantor, be turned over to the Administrative Agent in the exact form received by the Guarantor (duly endorsed by the Guarantor to the Administrative Agent, if required), to be applied against the Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine. The agreements in this Section 10 shall survive the Guarantee Termination Date.

11. NO RECOURSE. Notwithstanding anything that may be expressed or implied in this Limited Guarantee or any document or instrument delivered in connection herewith, and notwithstanding the fact that any Guarantor may be a partnership, by its acceptance of the benefits of this Limited Guarantee, the Administrative Agent, on behalf of itself and its and their respective Affiliates, acknowledges and agrees that no Person other than the Guarantors have any obligations hereunder and that no recourse shall be had hereunder, or for any claim based on, in respect of, or by reason of, such obligations or their creation, or in respect of any oral or written representations made or alleged to be made in connection herewith or therewith, against, and no personal liability shall attach to, be imposed on or otherwise be incurred by any Related Person, whether by or through attempted piercing of the corporate veil, by or through a claim by or on behalf of the Administrative Agent against any Related Person, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any law, or otherwise. For the purposes of this Limited Guarantee, "Related Person" means (a) any former, current and future equityholders, controlling persons, directors, officers, employees, agents, Affiliates, affiliated (or commonly advised) funds, members, managers, general or limited partners or assignees or successors of any Guarantor or (b) any former, current or future equityholders, controlling persons, directors, officers, employees, agents, Affiliates, affiliated (or commonly advised)

funds, members, managers, general or limited partners, or assignees or successors of any of the foregoing. The Administrative Agent, on behalf of itself and its and their respective Affiliates, further agrees that no such Person has any right of recovery against any Guarantor or any Related Person, whether by piercing of the corporate veil, by a claim on behalf of the Borrower or against Guarantor or any Related Person, or otherwise, except for the rights against the Guarantors under this Limited Guarantee, subject to each Guarantor's Pro Rata Percentage of the Maximum Amount and the other limitations described herein, and the rights against the Borrower expressly provided for under the Credit Agreement, subject to the limitations described therein. Recourse against any Guarantor under this Limited Guarantee shall be the sole and exclusive remedy of the Administrative Agent and its and their respective Affiliates against the Guarantors and any Related Person in respect of any liabilities or obligations arising under, or in connection with, the Credit Agreement or the transactions contemplated thereby. The Administrative Agent, on behalf of itself and its and their respective Affiliates, hereby covenants and agrees that it shall not institute, and it shall cause its Affiliates not to, directly or indirectly, institute, any proceeding or assert in writing any claim arising under, or in connection with, the Credit Agreement or the transactions contemplated thereby, or in respect of any oral representations made or alleged to be made in connection therewith, against any Guarantor or any Related Person except for claims against the Guarantors under this Limited Guarantee, subject to each Guarantor's Pro Rata Percentage of the Maximum Amount and the other terms and limitations herein and therein. Nothing set forth in this Limited Guarantee shall affect or be construed to affect or be construed to confer or give any Person other than the Administrative Agent (including any other Person acting in a representative capacity) any rights or remedies against any Person other than the Guarantors as set forth herein.

12. EVENTS OF DEFAULT. Each of the following shall, with respect to each Guarantor, constitute a "Guarantor Event of Default":

(a) This Limited Guarantee or any provision hereof shall cease to be in full force and effect with respect to each Guarantor, or each Guarantor or any Person acting by or on behalf of each Guarantor shall take any action for the purpose of terminating, invalidating or rescinding this Limited Guarantee or deny or disaffirm each Guarantor's obligations under this Limited Guarantee.

(b) A Guarantor shall default in the payment when due of any amounts payable by such Guarantor pursuant to this Limited Guarantee.

(c) Any representation, warranty or statement made or deemed to be made by each Guarantor herein, or in any statement or certificate delivered or required to be delivered pursuant hereto, shall prove untrue in any material respect on the date as of which it was made or deemed to have been made.

(d) A Guarantor shall default in the due performance or observance of any term, covenant or agreement (other than as described in paragraphs (a), (b) and (c) of this Section 12):

(i) contained in Section 4(a) or Section 4(b), or

(ii) contained in any Section of this Limited Guarantee (other than Section 4(a) or Section 4(b)), and such default shall continue unremedied for a period of thirty (30) days after the earlier of (A) receipt by such Guarantor of notice from the Administrative Agent of such default or (B) actual knowledge of such Guarantor of such default; or

(e) A Guarantor Bankruptcy Event with respect to each Guarantor shall occur, or any writ, judgment, warrant of attachment, execution or similar process, is issued or levied against a substantial part of each Guarantor's assets.

13. Parent and each Guarantor acknowledges that a Guarantor Event of Default prior to the Guarantee Termination Date shall constitute an immediate Event of Default under the Credit Agreements and the other Loan Documents.

14. ENTIRE AGREEMENT. This Limited Guarantee, together with the Credit Agreement, contain the entire understanding of the parties with respect to the subject matter hereof and supersede any and all prior discussions, negotiations, understandings, proposals, undertakings or agreements, either oral or written.

15. GOVERNING LAW; ARBITRATION; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL; REMEDIES. The following provisions of the Credit Agreement are incorporated herein by reference and made a part of this Limited Guarantee, *mutatis mutandis*: Section 10.13 (Governing Law) and Section 10.14 (Submission to Jurisdiction; Waivers).

16. AMENDMENTS AND WAIVERS. No amendment or waiver of any provision of this Limited Guarantee (including any amendment to capitalized terms or provisions incorporated herein by reference to the Credit Agreement) will be valid and binding unless it is in writing and signed, in the case of an amendment, by each Guarantor and the Administrative Agent or, in the case of a waiver, by the party against whom the waiver is to be effective.

17. NO THIRD PARTY BENEFICIARIES. Except for the rights of Related Persons provided under Section 11, this Limited Guarantee is for the sole benefit of the parties hereto and their permitted successors and assigns and nothing herein expressed or implied shall give or be construed to give to any Person, other than the parties and such successors and assigns, any legal or equitable rights hereunder.

18. CONFIDENTIALITY. This Limited Guarantee shall be treated as confidential and is being provided to the Administrative Agent solely in connection with the transactions contemplated by the Credit Agreement. This Limited Guarantee may not be used, circulated, quoted or otherwise referred to in any document, except with the written consent of each Guarantor; provided that no such written consent shall be required for disclosures to employees, agents, legal, financial, accounting or other advisors or representatives, so long as such Persons agree to keep such information confidential; provided, further, that the Administrative Agent may disclose such information to the extent required by law or pursuant to any action, suit or proceeding relating to the Credit Agreement or the transactions contemplated hereby and thereby.

19. INTERPRETATION. The parties have participated jointly in the negotiations and drafting of this Limited Guarantee and in the event of any ambiguity or question of intent or interpretation, no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Limited Guarantee.

20. COUNTERPARTS. This Limited Guarantee may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Limited Guarantee and any amendments hereto, to the extent signed and delivered by means of digital imaging and electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., www.docuSign.com) or a facsimile machine, shall be treated in all manner and respects as an original contract and shall be

considered to have the same binding legal effects as if it were the original signed version thereof delivered in person.

21. SEVERAL LIABILITY OF THE GUARANTORS. Notwithstanding anything to the contrary contained in this Limited Guarantee, the liability of each Guarantor hereunder shall be several, not joint and several, based upon its respective Pro Rata Percentage of the Guaranteed Obligation and subject to its respective Maximum Amount.

22. GUARANTOR WAIVERS; ETC. Section 2.5 of the Guarantee and Collateral Agreement is incorporated herein by reference and made a part of this Limited Guarantee, *mutatis mutandis*.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, each Guarantor has caused this Limited Guarantee to be executed and delivered as of the date first written above by its officer thereunto duly authorized.

GUARANTORS:

VESEY STREET CAPITAL PARTNERS HEALTHCARE FUND, L.P.

By: Vesey Street Capital Partners Healthcare GP, L.P., its general partner

By: Vesey Street Capital Partners Healthcare UGP, LLC, its general partner

By: /s/ Adam Feinstein

Name: Adam Feinstein

Title: Managing Partner

VESEY STREET CAPITAL PARTNERS HEALTHCARE FUND-A, L.P.

By: Vesey Street Capital Partners Healthcare GP, L.P., its general partner

By: Vesey Street Capital Partners Healthcare UGP, LLC, its general partner

By: /s/ Adam Feinstein

Name: Adam Feinstein

Title: Managing Partner

Signature Page to Limited Guarantee

Accepted and Agreed to:

ADMINISTRATIVE AGENT:

**SILICON VALLEY BANK, A DIVISION OF FIRST-CITIZENS BANK &
TRUST COMPANY**

By: /s/ Jason Hedrick

Name: Jason Hedrick

Title: Managing Director

Signature Page to Limited Guarantee

Accepted and Agreed to:

PARENT:

AIRSCULPT TECHNOLOGIES, INC.

By: /s/ Dennis Dean

Name: Dennis Dean

Title: Chief Financial Officer

Signature Page to Limited Guarantee

Schedule A

Guarantor	Pro Rata Percentage
VESEY STREET CAPITAL PARTNERS HEALTHCARE FUND, L.P.	36.273373%
VESEY STREET CAPITAL PARTNERS HEALTHCARE FUND-A, L.P.	63.726627%
TOTAL:	100.000000%

AIRSCULPT TECHNOLOGIES, INC.

INSIDER TRADING POLICY

Policy Principles

1. Employees, directors, officers and designated contractors and consultants (each a “*Covered Person*,” and collectively, “*Covered Persons*”) of AirSculpt Technologies, Inc. (“*AirSculpt*”) (or any other person or entity subject to this Insider Trading Policy (this “*Policy*”)) are responsible for understanding the obligations that come with having access to material nonpublic information and wanting to transact in securities issued by AirSculpt and/or other entities.
2. Covered Persons may not trade in AirSculpt’s securities if they are in possession of or otherwise aware of material nonpublic information regarding AirSculpt. In addition, Covered Persons may not engage in transactions in securities of another company with which AirSculpt conducts business, such as a customer, partner, or supplier, if they are in possession of or otherwise aware of material nonpublic information relating to such other company obtained in course of employment with, or services performed on behalf of, AirSculpt.
3. Covered Persons may not directly or indirectly disclose material nonpublic information outside of AirSculpt, unless the disclosure is made in accordance with a specific AirSculpt policy that authorizes such disclosure.
4. Covered Persons may not directly or indirectly disclose material nonpublic information to persons within AirSculpt whose jobs do not require them to have that information.
5. Covered Persons may not directly or indirectly recommend the purchase or sale of any AirSculpt securities.
6. Covered Persons may not directly or indirectly assist anyone engaged in the above activities.
7. AirSculpt itself must comply with U.S. securities laws applicable to its own securities trading activities and will not effect transactions in respect of its securities, or adopt any securities repurchase plans, when it is in possession of material nonpublic information concerning AirSculpt, other than in compliance with applicable law, subject to the policies and procedures adopted by AirSculpt.
8. Changes to this Policy require approval by AirSculpt’s Board of Directors or a duly appointed committee of the Board of Directors.

Policy Q&A

Policy Scope and Purpose

Q: Why have an insider trading policy?

A: During the course of your relationship with AirSculpt, you may receive material information that is not yet publicly available (“*material nonpublic information*”) about AirSculpt or other companies. Material nonpublic information may give you, or someone to whom you pass that information, an advantage over others when deciding whether to buy, sell, or otherwise transact in AirSculpt’s securities or the securities of another company. This Policy sets forth guidelines with respect to transactions in AirSculpt securities, or the securities issued by other companies by persons subject to this Policy.

Q: Who is subject to this Policy?

A: This Policy applies to you and all other Covered Persons. This Policy also applies to members of your family who reside with you, any other persons with whom you share a household, any family members who do not live in your household but whose transactions in AirSculpt’s securities are directed by you or subject to your influence or control, persons who are your economic dependents, and, unless otherwise determined by AirSculpt, any other individuals or entities whose transactions in securities you influence, direct, or control (including, e.g., a venture or other investment fund, if you influence, direct, or control transactions by the fund) (collectively, “*Related Persons*”). You are responsible for making sure that your Related Persons comply with this Policy.

In addition, if you are an officer or director of AirSculpt, or a designated employee, contractor or consultant of AirSculpt (collectively, “*Specified Personnel*”), you and your Related Persons are subject to the quarterly trading blackout periods and pre-clearance procedures described below.

This Policy applies also to AirSculpt with respect to transactions in its own securities (particularly repurchases), including persons with oversight responsibility over those AirSculpt transactions.

Q: Whose responsibility is it to comply with this Policy?

A: Persons subject to this Policy have ethical and legal obligations to maintain the confidentiality of information about AirSculpt and to not engage in transactions in AirSculpt’s securities while in possession of or otherwise aware of material nonpublic information relating to AirSculpt. Each individual is responsible for making sure that he or she and his or her Related Persons comply with this Policy. In all cases, the responsibility for determining whether an individual is in possession of or otherwise aware of material nonpublic information rests with that individual, and any action on the

part of AirSculpt or any Covered Persons pursuant to this Policy (or otherwise) does not in any way constitute legal advice or insulate an individual from liability under applicable securities laws. You could be subject to severe legal penalties and disciplinary action by AirSculpt for any conduct prohibited by this Policy or applicable securities laws.

Q: What transactions are subject to this Policy?

A: This Policy applies to all transactions in “securities” whether issued by AirSculpt or another entity, as well as derivative securities such as exchange-traded put or call options or swaps. Accordingly, for purposes of this policy, the terms “*trade*,” “*trading*,” and “*transactions*” include not only purchases and sales of AirSculpt’s common stock but also any other purchases, sales, transfers, gifts or other acquisitions and dispositions of common or preferred equity, options, warrants, and other securities (including debt securities) and other arrangements or transactions that affect economic exposure to changes in the prices of these securities.

Insider Trading and Material Nonpublic Information

Q: What is insider trading?

A: Generally speaking, insider trading is the buying or selling of stocks, bonds, futures, or other securities by someone who possesses or is otherwise aware of material nonpublic information about the securities or the issuer of the securities. Insider trading also includes trading in derivatives (such as put or call options) where the price is linked to the underlying price of a company’s stock. It does not matter whether the decision to buy or sell was influenced by the material nonpublic information, how many shares you buy or sell, or whether it has an effect on the stock price. Bottom line: If, during the course of your relationship with AirSculpt, you become aware of material nonpublic information about AirSculpt or another company and you trade in AirSculpt’s or such other company’s securities, you may have broken the law and violated this Policy.

Q: What is material information?

A: It is not always easy to figure out whether you are aware of material nonpublic information. But there is one important factor to determine whether nonpublic information you know about a public company is material: whether the information could be expected to affect the market price of that company’s securities or to be considered important by investors who are considering trading that company’s securities. If the information makes you want to trade, it would probably have the same effect on others. Keep in mind that both positive and negative information can be material. Furthermore, information could be material because of its expected effect on the price of AirSculpt’s outstanding securities, the securities of another company not related to AirSculpt or the securities of several such companies.

Q: What are examples of material information?

A: There is no bright-line standard for assessing materiality; rather, materiality is based on an assessment of all of the facts and circumstances, and is often evaluated by relevant enforcement authorities with the benefit of hindsight. Depending on the specific details, the following items may be considered material information. There may be other types of information that would qualify as material information as well; use this list merely as a non-exhaustive guide:

- projections of future earnings or losses, or other earnings guidance;
- financial results or forecasts;
- acquisitions, dispositions or other strategic transactions;
- events regarding AirSculpt's (e.g., repurchase plans, stock splits, public or private equity or debt offerings, or changes in AirSculpt's dividend policies or amounts);
- significant related party transactions
- gain or loss of a license agreement or other contract with suppliers;
- changes or new corporate partner relationships or collaborations;
- major contracts or contract cancellations;
- pricing changes or discount policies;
- new body contouring services or procedures;
- significant health and safety incidents with patients;
- top management or control changes;
- financial restatements or significant write-offs;
- employee layoffs;
- a significant cybersecurity incident, such as a data breach, or any other significant disruption in AirSculpt's operations or breach or unauthorized access of its property or assets, including its facilities or information technology infrastructure;
- tender offers or proxy fights;
- actual or threatened major litigation, U.S. Securities and Exchange Commission ("SEC") or other investigations, or a major development in or the resolution of any such litigation or investigation;
- impending bankruptcy;
- communications with government agencies; and
- the imposition of an event-specific restriction on trading in AirSculpt's securities or the securities of another company or the extension or termination of such restriction.

Q: When is information considered public?

A: The prohibition on trading when you have material nonpublic information lifts once that information becomes "public." For information to be considered "public," it must be widely disseminated through a press release, a filing with the SEC or other widely disseminated announcement and digested by the market so the investing public has sufficient time to absorb the information. Generally speaking, information will be considered publicly disseminated for purposes of this policy ***only after two (2) full trading days have elapsed since the information was publicly disclosed.*** For example, if we announce material nonpublic information before trading begins on Wednesday, then

the information would be considered publicly disseminated by the time trading begins on Friday. If we announce material nonpublic information after trading ends on Wednesday, then information would be considered publicly disseminated by the time trading ends on Friday. Depending on the particular circumstances, AirSculpt may determine that a longer or shorter waiting period should apply to the release of specific material nonpublic information. Any disclosure of nonpublic information, material or otherwise, must be done in accordance with AirSculpt's Corporate Disclosure Policy.

In addition, **as discussed further below, Specified Personnel and their Related Persons may not trade common stock of AirSculpt during any trading "blackout" period even if they are not aware of any material nonpublic information.** This Policy describes the quarterly trading blackout period, and additional event-driven trading blackout periods (which may apply to you even if the quarterly trading blackout periods do not) may be announced by email.

Q: Who can be guilty of insider trading?

A: Anyone who buys or sells a security while in possession of or otherwise aware of material nonpublic information, or provides material nonpublic information that someone else uses to buy or sell a security, may be guilty of insider trading. This applies to all individuals, including officers, directors, and others who don't even work at AirSculpt. Regardless of who you are, if you know something material about the value of a security that not everyone knows and you trade (or convince someone else to trade) in that security, you may be found guilty of insider trading.

Q: What if I am aware of material nonpublic information when I trade, but the reason I trade is because of something else, like to pay medical bills?

A: The prohibition against insider trading is absolute. It applies even if the decision to trade is not based on such material nonpublic information. It also applies to transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) and also to very small transactions. All that matters is whether you are aware of any material nonpublic information relating to AirSculpt, or any other entity whose equity securities you are trading, at the time of the transaction.

Q: Do the U.S. securities laws take into account mitigating circumstance, like avoiding a loss or planning a transaction before I had material nonpublic information?

A: No. The U.S. federal securities laws do not recognize any mitigating circumstances to insider trading. In addition, even the appearance of an improper transaction must be avoided to preserve AirSculpt's reputation for adhering to the highest standards of conduct. In some circumstances, you may need to forgo a planned transaction even if you planned it before becoming aware of the material nonpublic information. So, even if you believe you may suffer an economic loss or sacrifice an anticipated profit by waiting to trade, you must wait.

Q: What if I don't buy or sell anything, but I tell someone else material nonpublic information and he or she buys or sells?

A: That is called "tipping." You are the "tipper," and the other person is called the "tippee." If the tippee buys or sells while in possession of that material nonpublic information, both you and the "tippee" could be found guilty of insider trading. In fact, if you tell family members who tell others and those people then trade on the information, those family members and the "tippee" might be found guilty of insider trading too. To prevent this, you may not discuss material nonpublic information about AirSculpt or another company with anyone outside AirSculpt, *including spouses, family members, friends, or business associates* (unless the disclosure is made in accordance with AirSculpt's policies regarding the protection or authorized external disclosure of information regarding AirSculpt). This includes anonymous discussions on the internet about AirSculpt or companies with which AirSculpt does business. Advising others to trade while in possession of material nonpublic information is illegal and squarely prohibited by this Policy.

You can be held liable for your own transactions, as well as the transactions by a tippee and even the transactions of a tippee's tippee. *For these and other reasons, no Covered Person (or any other person subject to this Policy) may either (a) recommend to another person that they buy, hold or sell AirSculpt's securities at any time or (b) disclose material nonpublic information to persons within AirSculpt whose jobs do not require them to have that material nonpublic information, or outside of AirSculpt to other persons (unless the disclosure is made in accordance with AirSculpt's policies regarding the protection or authorized external disclosure of information regarding AirSculpt).*

Q: What if I don't tell someone inside information itself; I just tell him or her whether to buy or sell?

A: That is still tipping, and you can still be responsible for insider trading. You may never recommend to another person that they buy, hold or sell AirSculpt's common stock or any derivative security related to AirSculpt's common stock, since that could be a form of tipping.

Q: Do the provisions of this Policy or the insider trading laws apply to me if I work outside the U.S. or trade in securities on a foreign exchange?

A: Yes. The same rules apply to U.S. and foreign employees and consultants. The SEC (the U.S. government agency in charge of investor protection) and the Financial Industry Regulatory Authority (a private regulator that oversees U.S. securities exchanges) routinely investigate trading in a company's securities conducted by individuals and firms based abroad. In addition, the US insider trading laws may in certain circumstances apply to trading securities issued by a foreign company and traded on a foreign exchange. In any event, our policies apply to you, as a Covered Person, no matter where you work.

Q: So if I do not trade AirSculpt securities when I have material nonpublic information, and I don't "tip" other people, I am in the clear, right?

A: Not necessarily. Even if you do not violate U.S. law, you may still violate our policies. For example, directors, employees and consultants may violate our policies by breaching their confidentiality obligations or by recommending AirSculpt stock as an investment, even if these actions do not violate securities laws. Our policies are stricter than the law requires so that we and our directors, employees and consultants can avoid even the appearance of wrongdoing. Therefore, please review the entire Policy carefully.

Q: Are there any exceptions to this policy?

A: Bona fide gifts for estate planning purposes, including gifts to a trust, family limited partnership, charitable foundation or similar entity, as long as you or members of your immediate family remain the sole beneficiaries of the transferred shares and the terms of the transfer ensure that the shares remain subject to the same restrictions that apply to you under this Policy, are not subject to this Policy's restrictions.

A Covered Person who believes that special circumstances require him or her to trade during a quarterly trading blackout period should consult the Chief Financial Officer. Permission to trade during a quarterly trading blackout period will be granted only where the circumstances are extenuating, the Chief Financial Officer concludes that the person is not in fact aware of any material nonpublic information relating to AirSculpt or its securities, and there appears to be no significant risk that the trade may subsequently be questioned. An exception will not be granted during an event-specific trading blackout.

Q: What tax withholding transactions are not restricted by this Policy?

A: This Policy does not apply to the surrender of shares directly to AirSculpt to satisfy tax withholding obligations as a result of the issuance of shares upon exercise of options or settlement of restricted stock units ("**RSUs**") issued by AirSculpt. Of course, any market sale of the stock received upon exercise or vesting of any such equity awards remains subject to all provisions of this Policy whether or not for the purpose of generating the cash needed to pay the exercise price or pay taxes.

Q: Can I effect a sell-to-cover transaction upon an option exercise or RSU vesting?

A: You may not act to voluntarily sell shares (even to pay the exercise price or any taxes due) during a trading blackout period or any time that you are aware of material nonpublic information. With respect to options, as noted above, you may not voluntarily effect a broker-assisted cashless exercise (because these cashless exercise transactions include a market sale) during a trading blackout period or any time that you are aware of material nonpublic information. With respect to RSUs, you may not voluntarily sell shares upon issuance; however, if AirSculpt requires you to sell shares to satisfy tax withholdings obligations at issuance, that would be allowed under this policy.

Blackout Periods

Q: What is a quarterly trading blackout period?

A: To minimize the appearance of insider trading by the Specified Personnel and their Related Persons, we have established quarterly trading blackout periods (as defined below) during which they — regardless of whether they are in possession of material nonpublic information or not — may not conduct any trades in AirSculpt securities. That means that, except as described in this Policy, all Specified Personnel and their Related Persons will be able to trade in AirSculpt securities *only* during limited open trading window periods that generally will begin after two (2) full trading days have elapsed since the public dissemination of AirSculpt’s annual or quarterly financial results and end at the beginning of the next quarterly trading blackout period. Of course, even during an open trading window period, you may not (unless an exception applies) conduct any trades in AirSculpt securities if you are in fact in possession of or otherwise aware of material nonpublic information.

Q: What are AirSculpt’s quarterly trading blackout periods?

A: Each “*quarterly trading blackout period*” will generally begin at the start of the 8th day of the third month of each fiscal quarter (or, if that day is not a trading day, then the end of the preceding trading day) and end after two (2) full trading days have elapsed since the public dissemination of AirSculpt’s financial results for that quarter (e.g., time of the earnings call).

Q: Can AirSculpt’s quarterly trading blackout periods change?

A. The quarterly trading blackout period may commence early or may be extended if, in the judgment of the Chief Financial Officer, there exists undisclosed information that would make trades by Specified Personnel or their Related Persons inappropriate. It is important to note that the fact that the quarterly trading blackout period has commenced early or has been extended should be considered material nonpublic information that should not be communicated to any other person.

Q: Does AirSculpt have blackout periods other than quarterly trading blackout periods?

A: Yes. From time to time, an event may occur that is material to AirSculpt and is known by only a few officers, directors, employees, contractors and/or consultants. So long as the event remains material and nonpublic, the persons designated by the Chief Financial Officer may not trade in AirSculpt’s securities. In that situation, AirSculpt will notify the designated individuals that neither they nor their Related Persons may trade in AirSculpt’s securities. The existence of an event-specific trading blackout should also be considered material nonpublic information and should not be communicated to any other person. Even if you have not been designated as a person who should not trade due to an

event-specific trading blackout, you should not trade while aware of material nonpublic information.

Q: If I am subject to a blackout period and I have an open order to buy or sell AirSculpt securities on the date a blackout period commences, can I leave it to my broker to cancel the open order and avoid executing the trade?

A: No, unless it is in connection with a Rule 10b5-1 Plan (as defined below). If you have any open orders when a blackout period commences other than in connection with a Rule 10b5-1 Plan, it is your responsibility to cancel these orders with your broker. If you have an open order and it executes after a blackout period commences not in connection with a Rule 10b5-1 Plan, you will have violated this Policy and may also have violated insider trading laws.

Q: Am I subject to trading blackout periods if I am no longer an employee, officer director, contractor or consultant of AirSculpt?

A: It depends. If your employment with AirSculpt ends during a trading blackout period applicable to you, you will be subject to the remainder of that trading blackout period and you may not trade AirSculpt's securities or the securities of other applicable companies until the trading blackout period has ended. If your employment with AirSculpt ends on a day that the trading window is open, you will not be subject to the next trading blackout period. However, even if you are not subject to our trading blackout period after you leave AirSculpt, you should not trade in AirSculpt securities or the securities of other applicable companies if you are aware of material nonpublic information. That restriction stays with you as long as the information you possess is material and not publicly disseminated within the meaning of this Policy.

Q: Can I exercise options granted to me by AirSculpt, or participate in an AirSculpt employee stock purchase plan, during a trading blackout period or when I possess or am otherwise aware of material nonpublic information?

A: As a general matter, you may purchase shares by exercising your options or participating in an AirSculpt employee stock purchase plan, but you may not tender or sell the shares (even to pay the exercise price or any taxes due) during a trading blackout period applicable to you or at any time that you are aware of material nonpublic information. To be clear, you may not tender shares for net-settlement of options or effect a broker-assisted cashless exercise (because these cashless exercise transactions include a market sale) during a trading blackout period applicable to you or at any time that you are aware of material nonpublic information. This policy also applies to an employee's initial election to participate in AirSculpt's employee stock purchase plan ("**ESPP**"), changes to an employee's election to participate in the ESPP for any enrollment period, or to the subsequent sale of the stock acquired pursuant to the ESPP.

Q: What are the rules that apply to Rule 10b5-1 Plans?

A: Rule 10b5-1 of the Securities Act of 1934, as amended (the “*Exchange Act*”) provides a defense from insider trading liability. In order to be eligible to rely on this defense, a person subject to this Policy must enter into a written trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act that meets certain conditions specified in the rule (a “*Rule 10b5-1 Plan*”). If the plan meets the requirements of Rule 10b5-1, AirSculpt securities may be purchased or sold without regard to certain insider trading restrictions. To comply with this Policy, a Rule 10b5-1 Plan must be pre-approved by the Chief Financial Officer and meet the requirements of Rule 10b5-1. A Rule 10b5-1 Plan must be entered into at a time when the person entering into the plan is not aware of material nonpublic information. The plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party and, once the plan is adopted, the person must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade.

Persons subject to this Policy may only have one outstanding Rule 10b5-1 Plan at any one time (subject to certain exceptions). All Rule 10b5-1 Plans must have a “cooling off period,” the length of which will depend on the status of the person subject to this Policy. For directors and executive officers, the applicable “cooling off period” is the later of (x) ninety (90) days after the adoption and (y) three (3) business days following the disclosure of AirSculpt’s financial results in a Form 10-Q or Form 10-K for the fiscal quarter in which the plan was adopted, subject to a maximum of 120 days. For all other Covered Persons, the applicable “cooling off period” is at least thirty (30) days from the time the trading plan is executed to the time of the first trade pursuant to the plan. AirSculpt does not permit a Rule 10b5-1 Plan to be entered into during a blackout period. Any plan participant must act in good faith with respect to their Rule 10b5-1 Plan.

Rule 10b5-1 Plans will be considered by the Chief Financial Officer on a case-by-case basis. Any Rule 10b5-1 Plan must be submitted to the Chief Financial Officer for approval at least five (5) days prior to the entry into the Rule 10b5-1 Plan. The adoption, modification, or cancellation of any Rule 10b5-1 Plan must be approved by the Chief Financial Officer.

Margin Accounts, Pledging Shares, Hedging and Other Speculation in AirSculpt Common Stock

Q: Can I purchase AirSculpt securities on margin or hold them in a margin account?

A: No. “Purchasing on margin” is the use of borrowed money from a brokerage firm to purchase our securities. Holding our securities in a margin account includes holding the securities in an account in which the shares can be sold to pay a loan to the brokerage firm. You may not purchase our common stock on margin or hold it in a margin account at any time.

Q: Can I pledge my AirSculpt shares as collateral for a loan?

A: No. Pledging your shares as collateral for a loan could cause the pledgee to transfer your shares during a trading blackout period or when you are otherwise aware of material nonpublic information. As a result, you may not pledge your shares as collateral for a loan.

Q: Can I hedge my ownership position in AirSculpt?

A: No. Hedging or monetization transactions, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars, and exchange funds are prohibited by this Policy.

Q: Why are hedging transactions prohibited?

A: Such transactions may permit a person subject to this Policy to continue to own AirSculpt's securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the person may no longer have the same objectives as AirSculpt's other stockholders. Therefore, all persons subject to this Policy are prohibited from engaging in any such transactions.

Q: Am I allowed to trade derivative securities of AirSculpt common stock?

A: No. You may not trade in derivative securities related to AirSculpt's common stock, which include publicly traded call and put options. In addition, you may not engage in short selling of our common stock or in any other inherently speculative transactions with respect to AirSculpt's securities at any time.

Q: What are derivative securities?

A: "Derivative securities" are securities other than common stock that are speculative in nature because they permit a person to leverage their investment using a relatively small amount of money. Examples of derivative securities include "put options" and "call options." These are different from employee options and other equity awards granted under our equity compensation plans, which are not derivative securities for purposes of this Policy.

Q: What is short selling?

A: "Short selling" is profiting when you expect the price of the stock to decline, and includes transactions in which you borrow stock from a broker, sell it, and eventually buy it back on the market to return the borrowed shares to the broker. Profit is realized if the stock price decreases during the period of borrowing.

Q: Why does AirSculpt prohibit trading in derivative securities and short selling?

A: Many companies with volatile stock prices have adopted similar policies because of the temptation it represents to try to benefit from a relatively low-cost method of trading on short-term swings in stock prices, without actually holding the underlying common stock,

and encourages speculative trading. We are dedicated to building stockholder value, short selling our common stock conflicts with our values and would not be well-received by our stockholders.

Q: What if I purchased publicly traded options or other derivative securities before I became subject to this Policy?

A: The same rules apply as for employee stock options. You may exercise the publicly traded options at any time, but you may not sell the securities during a trading blackout period applicable to you or at any time that you are aware of material nonpublic information.

Q: What are the concerns about standing and limit orders?

A: Standing and limit orders are instructions to purchase or sell securities once the value of those securities reaches a certain price. Standing and limit orders (except standing and limit orders under approved Rule 10b5-1 Plans, as discussed above) create heightened risks for insider trading violations similar to the use of margin accounts, since there is no control over the timing of purchases or sales that result from standing instructions to a broker, and as a result the broker could execute a transaction when a Covered Person is in possession of or otherwise aware of material nonpublic information. AirSculpt therefore discourages placing standing or limit orders on AirSculpt's securities. If a person subject to this Policy determines that they must use a standing order or limit order (other than under an approved Rule 10b5-1 Plan as discussed above), the order should be limited to short duration and the person using such standing order or limit order is required to cancel such instructions immediately in the event restrictions are imposed on their ability to trade pursuant to the "quarterly trading blackout periods" and "event-specific trading blackouts" outlined above.

Pre-Clearance of Transactions in AirSculpt Common Stock

Q: Who is required to pre-clear and provide advance notice of transactions?

A: In addition to the requirements above, all Specified Personnel and Related Persons face a further restriction: Even during an open trading window, they may not engage in any transaction in AirSculpt's securities without first obtaining pre-clearance of the transaction from the Chief Financial Officer at least two (2) business days in advance of the proposed transaction. The Chief Financial Officer will then determine whether the transaction may proceed and, if so, will help comply with any required reporting requirements under Section 16(a) of the Exchange Act. Pre-cleared transactions not completed within ten (10) business days after approval will require new pre-clearance. AirSculpt may choose to shorten this period. A previously submitted and approved Rule 10b5-1 Plan shall constitute advance notice and pre-clearance for purposes of this Policy.

Q: Are individuals subject to pre-clearance required to provide advanced notice of stock option exercises?

A: Yes. Persons subject to pre-clearance must also give advance notice of their plans to exercise an outstanding stock option to the Chief Financial Officer. Once any transaction takes place, the officer, director, or applicable member of management must immediately notify the Chief Financial Officer so that AirSculpt may assist in any Section 16 reporting obligations.

Q: What additional requirements apply to individuals subject to Section 16?

A: Officers and directors, who are subject to the reporting obligations under Section 16 of the Exchange Act, should take care to avoid short-swing transactions (within the meaning of Section 16(b) of the Exchange Act) and the restrictions on sales by control persons (Rule 144 under the Securities Act of 1933, as amended), and should file all appropriate Section 16(a) reports (Forms 3, 4, and 5) and any notices of sale required by Rule 144.

Other Information

Q: What happens if I violate this Policy?

A: Violating our policies may result in disciplinary action, which may include termination of your employment or other relationship with AirSculpt.

Q: What are the sanctions if I trade on material nonpublic information or tip off someone else?

A: In addition to disciplinary action by AirSculpt—which may include termination of employment—you may be liable for civil sanctions for trading on material nonpublic information. The sanctions may include return of any profit made or loss avoided as well as penalties of up to three (3) times any profit made or any loss avoided. Persons found liable for tipping material nonpublic information, even if they did not trade themselves, may be liable for the amount of any profit gained or loss avoided by everyone in the chain of tippees as well as a penalty of up to three (3) times that amount. In addition, anyone convicted of criminal insider trading could face prison and additional fines.

While the regulatory authorities concentrate their efforts on the individuals who trade, or who tip inside information to others who trade, the federal securities laws also impose potential liability on companies and other “controlling persons” if they fail to take reasonable steps to prevent insider trading by AirSculpt personnel. Regulators have also prosecuted insider trading violations where an employee or insider has traded in the stock of another related company based on material nonpublic information learned in connection with their employment or role as an insider.

Q: What is “loss avoided”?

A: If you sell common stock or a related derivative security before negative news is publicly announced, and as a result of the announcement the stock price declines, you have avoided the loss caused by the negative news.

Q: Who should I contact if I have questions about this Policy or specific trades?

A: You should contact AirSculpt's Chief Financial Officer.

Q: Do changes to this Policy require approval by AirSculpt's Board of Directors?

A: Yes. Changes to this Policy require approval by AirSculpt's Board of Directors or a duly appointed committee of the Board of Directors.

Acknowledgement and Certification

All Covered Persons are required to sign the attached acknowledgement and certification.

* * * *

Adopted by the Board of Directors: November 2, 2021

Amended by the Board of Directors: March 4, 2025

AirSculpt Technologies, Inc.
Insider Trading Policy
Acknowledgment and Certification

To: AirSculpt Technologies, Inc.

I, _____, have received and read a copy of the AirSculpt Technologies, Inc. Insider Trading Policy. I hereby agree to comply with the specific requirements of the policy in all respects during my employment or other service relationship with AirSculpt Technologies, Inc. I understand that the policy constitutes a material term of my employment or other service relationship with AirSculpt Technologies, Inc. (or a subsidiary thereof) and that my failure to comply in all respects with the policy is a basis for termination for cause.

(Signature)

(Name)

(Date)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated March 14, 2025, with respect to the consolidated financial statements included in the Annual Report of AirSculpt Technologies, Inc. on Form 10-K for the year ended December 31, 2024. We consent to the incorporation by reference of said report in the Registration Statements of AirSculpt Technologies, Inc. on Form S-3 (File No. 333-270069) and on Forms S-8 (File No. 333-260609 and 333-281472).

/s/ GRANT THORNTON LLP

Tampa, Florida
March 14, 2025

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Yogi Jashnani, certify that:

1. I have reviewed this annual report on Form 10-K of AirSculpt Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

AirSculpt Technologies, Inc.

Date: March 14, 2025

By: /s/ Yogi Jashnani
Yogi Jashnani
Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Dennis Dean, certify that:

1. I have reviewed this annual report on Form 10-K of AirSculpt Technologies, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

AirSculpt Technologies, Inc.

Date: March 14, 2025

By: /s/ Dennis Dean

Dennis Dean
Chief Financial Officer

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

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350 of chapter 63 of title 18 of the United States Code), the undersigned officer of AirSculpt Technologies, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

This annual report on Form 10-K for the fiscal year ended December 31, 2024 (the "Report") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 14, 2025

By: /s/ Yogi Jashnani
Yogi Jashnani
Chief Executive Officer

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

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350 of chapter 63 of title 18 of the United States Code), the undersigned officer of AirSculpt Technologies, Inc. (the "Company"), hereby certifies, to such officer's knowledge, that:

This annual report on Form 10-K for the fiscal year ended December 31, 2024 (the "Report") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, and information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 14, 2025

By: /s/ Dennis Dean
Dennis Dean
Chief Financial Officer