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

FORM 10-K/A

(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, 2025
OR

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

For the transition period from _____ to _____.

Commission file number: 001-40973

AirSculpt Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**87-1471855**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1111 Lincoln Road, Suite 802 **Miami Beach, FL**	**33139**
(Address of principal executive offices)	(Zip Code)

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

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $0.001 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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☒

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

Indicate by check mark whether the registrant 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 $79.8 million.

The registrant had 70,545,681 shares of common stock outstanding as of March 30, 2026.

DOCUMENTS INCORPORATED BY REFERENCE

None.

EXPLANATORY NOTE

AirSculpt Technologies, Inc. (the "Company") is filing this Amendment No. 1 on Form 10-K/A (this "Amendment") to its Annual Report on Form 10-K for the year ended December 31, 2025, originally filed with the Securities and Exchange Commission (the "SEC") on March 31, 2026 (the "Original Filing"), to correct errors in the presentation of certain non-GAAP financial measures included in Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") in the Original Filing.

Specifically, the Company determined that a one-time non-cash adjustment related to the closure of its London facility was inaccurate in the calculation of Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted Net (Loss)/Income in the tables presented in the MD&A section of the Original Filing. This error resulted in an overstatement of Adjusted EBITDA and Adjusted Net (Loss)/Income of approximately $2.6 million, and an overstatement of Adjusted EBITDA Margin of approximately 1.7% for the year ended December 31, 2025. Additionally, there was an adjustment related to the tax effect of adjustments within the Adjusted Net (Loss)/Income which overstated Adjusted Net (Loss)/Income by $2.7 million, resulting in a $0.1 million net overstatement for the year ended December 31, 2025.

The errors did not impact the Company's consolidated financial statements, which were prepared in accordance with U.S. generally accepted accounting principles ("GAAP") or the related audit opinion. The Company has corrected the presentation of these non-GAAP financial measures in this Amendment.

This Amendment amends (i) the MD&A section of the Original Filing in its entirety and (ii) Part IV, Item 15. "Exhibits and Financial Statement Schedules" of the Original Filing to include, in accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), updated certifications from our Chief Executive Officer and Chief Financial Officer as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 as Exhibits 31.1, 31.2 and 32.1. In accordance with Rule 12b-15 under the Exchange Act, this Amendment amends and restates in their entirety each item identified in this paragraph.

The Company has concluded that the non-GAAP presentation errors giving rise to this amendment do not reflect the identification of any additional material weaknesses in internal control over financial reporting previously disclosed in Item 9A. "Controls and Procedures" of the Original Filing. Accordingly, this Amendment does not reflect the identification of any additional material weaknesses or changes to management's prior conclusions regarding the effectiveness of the Company's internal control over financial reporting.

Except as described above, this Amendment does not modify, amend or update any other information, items or disclosures contained in the Original Filing, and all information, items or disclosures contained in this Amendment are as of the date of the Original Filing and do not reflect subsequent information or events beyond the date of the Original Filing. Accordingly, this Amendment should be read in conjunction with other filings made by the Company with the SEC subsequent to the filing of the Original Filing, including any amendments to those filings. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Original Filing.

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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, inability to sell equity or other securities in the future at a time when we might otherwise wish to effect sales; inability to raise capital on commercially reasonable terms, if at all; the risk that any future financings may dilute our stockholders or restrict our business; failure to stabilize same-center 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 operating expenses due to rising inflation; 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 discussed 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 11,852 body contouring procedures in 2025. 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 cleared by the Food and Drug Administration ("FDA") 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 nationwide footprint of 31 centers across 20 U.S. states and Canada as of March 31, 2026. 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").

For the year ended December 31, 2025, we generated $151.8 million of revenue compared to $180.4 million for the year ended December 31, 2024, which represents a decline of approximately 15.8%.

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 wight-loss drugs will have on the market for body fat reduction procedures.

Our Business Drivers

The market for surgical aesthetic procedures is driven 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, 2025, our patent portfolio is comprised of two issued U.S. utility patents, one pending U.S. utility patent application, one pending U.S. provisional patent application, one pending U.S. design patent application, one pending Canada utility patent application, and one pending U.K. utility patent application, each of which we own directly. At least some of the tools we currently 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, our currently issued patents 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, fat transfer, skin excisions and skin tightening 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 national footprint consisting of 31 centers across 20 U.S. states and Canada as of March 31, 2026. 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 2025, we generated revenue per case of $12,809 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 that by restoring same-store revenue growth through optimized marketing investments, stronger sales execution, expanded consumer financing options, and the introduction of new product lines, we can improve unit-level economics beyond what we achieved in 2025.

Scaled Platform with Potential for Capital Efficient Growth and Free Cash Flow

Our operating model is highly scalable and has the potential for capital efficient growth. For the year ended December 31, 2025, we generated approximately $152 million of revenue compared to approximately $180 million for the year ended December 31, 2024, which represents an approximately 15.8% decline. We have a capital efficient business that requires minimal maintenance capital expenditures and working capital to support our operations.

Our Long-Term 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.

- ***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 expanded and refined our portfolio of procedures to address evolving patient preferences and enhance clinical outcomes. Fat transfer has been a highly successful innovation and remains a critical component of our offering, enabling the artistry of many of our most sought-after procedures. In fiscal year 2025, we focused on new product innovation and the introduction of new services designed to expand our customer reach, leverage our existing infrastructure and surgical expertise, and generate incremental revenues. These initiatives included expanding our pilot program for our skin tightening procedure as a standalone offering. We also continue to develop and introduce new procedures, such as the Hip Flip® and CankCure®, to meet patient demand and drive awareness and utilization of 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 300,000 "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 625,000 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 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

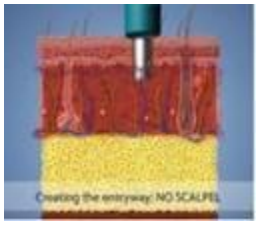
AirSculpt® is a proprietary, patented method of tumescent liposuction that removes unwanted fat from several targeted areas of the body in a minimally invasive procedure, producing dramatic results. By contrast to traditional liposuction, AirSculpt® requires no needle, no scalpel, no stitches and no 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.

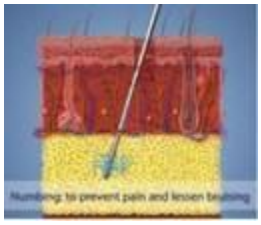
Patient remains fully awake during the procedure

2. Access Point Creation



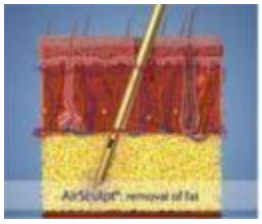
One to three entryways are created by the jet injector, which are widened to 2mm (freckle-sized) by means of a biopsy punch.

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 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, 2025, our total advertising costs were $27.3 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 2025 were approximately $36.9 million, or approximately 24.3% of revenue. Our customer acquisition costs were approximately $3,114 per customer in 2025.

As part of our long-term growth strategy, we are focused on optimizing our marketing investment to enhance efficiency, improve return on investment, and return to 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. Many 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 2025, approximately 50% 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 return to 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, 2025, 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 registered 'hourglass' 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 market for body contouring.

While we believe we are transforming 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 and California, with the 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, 2025, we employed approximately 330 full-time employees and approximately 33 part-time employees. We also had contracts with approximately 90 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 in 2012 and reorganized in 2018 as part of the acquisition by our Vesey Street Capital Partners, L.L.C., our private equity sponsor ("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 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 several instances of geopolitical instability, including the ongoing military conflict between Russia and Ukraine, the ongoing conflict in the Middle East, and tensions between the U.S. and China.
- Disruptions at the FDA, the SEC and other government agencies caused by funding shortages or government shutdowns could negatively impact our business operations and regulatory interactions.
- 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.
- Changes in tariffs and other governmental trade policies could negatively affect our business and results of operations.
- 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.
- Our proprietary Airsculpt® method could become obsolete or less competitive due to the introduction of new, more effective, or less invasive competitor technologies

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 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 declines in revenue we experienced during the 2024 and 2025 fiscal years, 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.

Our historical revenue growth should not be considered indicative of our future performance. In particular, we have experienced periods of high revenue growth and periods of revenue decline during the history of the company. 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 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, , which may be harmed by changing consumer preferences and negative publicity, including social media reviews.

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 consistent and beneficial results for our patients, and the success of our marketing efforts, and our ability to manage our public image. 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. In the aesthetic market, consumer preferences can shift rapidly, and any failure to adapt our service offerings, centers, or pricing strategies to these changing preferences could result in a material decrease in demand.

Furthermore, we are highly susceptible to negative media and social media exposure.Unfavorable publicity about us, including our procedures and technology, which may include viral content could diminish confidence in the AirSculpt® brand. Such as negative patient testimonials, reviews, or other content disseminated on platforms like Instagram, TikTok, and other digital channels, could diminish confidence in AirSculpt®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. 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.

While we do not expect to open new centers in the next year, our long-term growth strategy depends, in large part, on growing and operating our new centers 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 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;
- foreign tariffs;
- 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 the Russian invasion of Ukraine and the conflict in the Middle East), 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.

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 several instances of geopolitical instability, including the ongoing military conflict between Russia and Ukraine, the ongoing conflict in the Middle East, and tensions between the U.S. and China.

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. Additionally, in the Middle East, the Israel-Hamas war has transitioned from active combat to a fragile ceasefire, but regional volatility persists, recently drawing in Iran and other actors. Meanwhile, emerging flashpoints, notable the strategic rivalry between the U.S. and China, contribute to trade fragmentation and technological decoupling, posing longer-term supply chain and market risks. 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 each ongoing conflict is highly unpredictable, and may result in market disruptions, including significant volatility in commodity prices, credit and capital markets, and increases in cybersecurity incidents as well as supply chain disruptions. Further escalation of geopolitical tensions related to these conflicts and/or their 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.

Disruptions at the FDA, the SEC and other government agencies caused by funding shortages or government shutdowns could negatively impact our business operations and regulatory interactions.

Significant disruptions to the operations of government agencies, including from prolonged or repeated shutdown of the federal government, could adversely affect our business, financial condition and results of operations. Recently, from January 31, 2026 to February 3, 2026, the U.S. government partially shut down. Prior to that, the U.S. government shut down from October 1, 2025 to November 12, 2025, during which time certain regulatory agencies, such as the FDA and the SEC, furloughed certain employees and stopped critical activities. Additionally, on October 10, 2025, the U.S. government implemented substantial layoffs and workforce reductions in connection with the ongoing federal government shutdown, which resulted in the suspension or delay of various government-funded programs. Government shutdowns, if prolonged, can significantly impact the ability of government agencies upon which we rely, such as the FDA and SEC, to timely review and process our regulatory submissions, which could have a material adverse effect on our business. For example, the SEC announced that during the prior U.S. federal government shutdown, it would not declare registration statements effective. In the event of an extended shutdown, the SEC may operate with limited staff or suspend certain functions altogether, which could delay the review or effectiveness of our filings, including registration statements or other financing-related disclosures. Such delays could adversely affect our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue to fund our 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, 2025, we employed approximately 330 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 or 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.

Changes in tariffs and other governmental trade policies could negatively affect our business and results of operations.

Recent governmental actions and proposals relating to tariffs and other trade policies have created uncertainty about future trading arrangements and the possibility of imposing or increasing tariffs on certain goods. For example, certain governments have imposed or may impose tariffs on a wide range of products, raw materials, and intermediate goods. Additional tariffs, or retaliatory measures by other countries in response, may be implemented at any time. Should these or similar tariffs remain in place (or be re-imposed or increased), or if additional tariffs or trade restrictions are enacted in the future, they could cause us to face higher costs or supply chain disruptions. These actions could adversely affect our margins, profitability, financial condition, and results of operations. While we have not experienced adverse impacts of tariffs to date, we cannot predict future changes in trade policy or the terms of any renegotiated trade agreements, nor can we determine the impact they may have on our business. Any such changes could have a material adverse effect on our business, financial condition, and results of operations.

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 capabilitiess 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 centers in Arizona, California, Colorado, Florida, Georgia, Illinois, Kansas, Massachusetts, Michigan, Minnesota, Nevada, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, Utah, Washington, Virginia and Toronto, Canada.

In addition, our five centers located in California represented 20% of our revenue in 2025 and 2024. As a result, our business, financial condition and results of operations could be adversely affected by disruptions in the Southern California economy. 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.

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, which is available to us through the representatives our Sponsor has on our board of directors. Our Sponsor holds 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 43% 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 our Sponsor..

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, 2025, total outstanding indebtedness under our senior credit facility was approximately $56 million, consisting of $56 million in term loans (the "Term Loan") and there is $5.0 million available on our 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 was callable on June 15, 2025 (or upon the earlier occurrence of certain defaults described therein) if the Company had not prepaid the Term Loan (excluding regularly scheduled amortization) by $10.0 million as of such date. The Company made the required $10.0 million repayment prior to June 15, and the Limited Guarantee automatically terminated on March 12, 2026 following the prepayment of the Term Loan in an aggregate amount of $20.0 million since the date of the Limited Guarantee.

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, 2025 we had $5.0 million available 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, 2025, 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, the OBBBA, 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.

Pending proposals from the U.S. Congress, the Organization for Economic Cooperation and Development ("OECD"), and other government agencies regarding the taxation of multinational corporations could change corporate tax rates or foreign earnings rules. Such changes may materially impact our deferred tax assets, resulting in significant one-time charges, or 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.

Our management team has 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.

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.

The aesthetic body contouring market is characterized by rapid technological change, and if we are unable to maintain the superiority of our proprietary AirSculpt® method, our business and financial results may be materially harmed.

We rely significantly on the proprietary and patented AirSculpt® method and our associated body contouring procedures as a core competitive differentiator. The market for aesthetic and cosmetic procedures is rapidly evolving and is subject to new product introductions, technological innovations, and changes in patient preferences. Our ability to compete successfully depends on our capacity to maintain the distinctiveness and perceived superiority of our procedures compared to existing and future alternatives, including traditional surgical procedures (such as liposuction and abdominoplasty) and non-surgical body fat reduction and skin tightening treatments.

Competitors may develop and introduce new technologies, products, or procedures that are more effective, less invasive, have better clinical outcomes, are more widely accepted by patients, or are more cost-effective than the AirSculpt® method. If this occurs, or if our proprietary rights are challenged or expire, our technology may become obsolete, less appealing to customers, or face significant competitive pressure. Our failure to anticipate, keep pace with, or effectively respond to these technological advances could lead to a loss of competitive advantage, a decrease in the market acceptance of our procedures, and a material adverse effect on our revenue, market share, and results of operations.

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.

While we do not expect to open new centers in the next year, in pursuing our long-term 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 IIHI/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 IIHI/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 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. Commencing December 31, 2026, we will no longer be considered an emerging growth company but rather an accelerated filer where we will be subjected to compliance under the Sarbanes-Oxley Act.

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.

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 30, 2026, there are 70,545,681 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 30, 2026, approximately 44.9% 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 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 have significant influence over all matters requiring stockholder approval, including the election of directors and significant corporate transactions such as mergers or other business combinations. This influence 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, commencing December 31, 2026, we will no longer qualify as an "emerging growth company" and we will 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, 2025, 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 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. After commencing December 31, 2026 we will no longer qualify as an "emerging growth company". As a result, we will be required to comply with the auditor attestation requirements pursuant to SOX 404. To achieve compliance with Section 404 of SOX, we are engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants, adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented, and implement a continuous reporting and improvement process for internal control over financial reporting. See the risk factor *"Commencing December 31, 2026, we will no longer qualify as an "emerging growth company" as defined in the JOBS Act, and the reduced disclosure requirements applicable to emerging growth companies will no longer apply to us"* for additional information on the potential implications of our loss of emerging growth company status.

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. 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 31 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

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, 2025, no dividends have been declared or paid 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 current and future agreements governing our indebtedness and other factors that our board of directors deem relevant.

Holders of Record

As of March 30, 2026, there were 70,545,681 issued and outstanding shares of common stock held by 22 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 section titled “Cautionary Note Regarding Forward-Looking Statements” in 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 continued decline in its revenue, the Company is focusing returning to 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 Chief Digital Officer;
- improving our go-to-market and sales strategies under our 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 long-term 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, 2025, 2024 and 2023

- Cases performed were 11,852, 14,036 and 14,932 in 2025, 2024 and 2023, respectively;
- Revenue per case was $12,809, $12,849 and $13,121 in 2025, 2024 and 2023, respectively;
- Same-center information:
    - Same-center revenue per case changed 0.1%, (2.4)%, and 1.5% in 2025, 2024, and 2023, respectively;
    - Same-center volume changed (22.1)%, (13.7)%, and (1.4)% in 2025, 2024, and 2023, respectively;
- Net loss was $(11.7) million, $(8.0) million and $(4.2) million in 2025, 2024 and 2023, respectively;
- Adjusted EBITDA* was $12.5 million, $21.0 million and $43.5 million in 2025, 2024 and 2023, respectively;
- Adjusted EBITDA Margin* was 8.2%, 11.6% and 22.2% in 2025, 2024 and 2023, respectively;
- Loss per share was $(0.19), $(0.14) and $(0.08) for 2025, 2024 and 2023, respectively; and
- Adjusted Net Income per share (diluted)* was $(0.05), $0.02 and $0.29 in 2025, 2024 and 2023, 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,		
	2025	2024	2023
Cases	11,852	14,036	14,932
Case growth	(15.6)%	(6.0)%	14.3%
Revenue per case	$ 12,809	$ 12,849	$ 13,121
Revenue per case growth	(0.3)%	(2.1)%	1.5%
Number of facilities	31	32	27
Number of total procedure rooms	65	67	57

Same-Center Case and Revenue Metrics

Same-Center Information

For the twelve months ended December 31, 2025 and 2024, 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, 2025 and 2024, 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, 2025 in which such facilities were owned and operated during the twelve months ended December 31, 2024. We define same-center facilities and procedure rooms based on if a facility was owned or operated as of December 31, 2024. Beginning September 30, 2025, we have excluded the London facility from all periods presented due to the closure of the facility.

	Twelve Months Ended December 31,	
	2025	2024
Cases	10,670	13,689
Case growth	(22.1)%	N/A
Revenue per case	$ 12,798	$ 12,781
Revenue per case growth	0.1%	N/A
Number of facilities	31	31
Number of total procedure rooms	65	65

Our same-center case decline is primarily attributed to weaker than expected performance across the broader aesthetics industry.

For the years 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 have been owned and operated for at least twelve months as of December 31, 2024. 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, 2024.

	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 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 (benefit)/expense, restructuring and related severance costs, Loss/(gain) on disposal of long-lived assets, net cost related to closing location, 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, net cost related to closing location, 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:

	Twelve Months Ended December 31,		
($ in thousands)	2025	2024	2023
Net loss	$ (11,667)	$ (8,018)	$ (4,240)
Plus			
Equity-based compensation[(1)]	2,331	3,762	18,224
Restructuring and related severance costs	2,220	6,026	5,488
Depreciation and amortization	12,781	11,888	10,253

Loss/(gain) on disposal of long-lived assets[2]	4,575	16	(212)
Cost related to closing location, net[3]	2,152	—	—
Litigation settlements[4]	—	850	—
Interest expense, net	6,078	6,247	6,485
Income tax (benefit)/expense	(5,971)	188	7,477
Adjusted EBITDA	**$ 12,499**	**$ 20,959**	**$ 43,475**
Adjusted EBITDA Margin	**8.2 %**	**11.6 %**	**22.2 %**

(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) During the fiscal year ended 2025, the Company recorded a $4.5 million loss related to the impairment of a portion of the Salesforce implementation project and $0.1 million related to the corporate office PPE write-off. See Note 1 to the consolidated financial statements included in this Annual Report on Form 10-K for further discussion.

(3) During the fiscal year ended 2025, the Company recorded $2.2 million in costs related to the closure of the London facility. Comprising of that amount is a $2.4 million loss on London PPE, $3.3 million rent expense from accelerated amortization, offset by a $3.2 million gain on the deconsolidation as of December 31, 2025 related to net liabilities and $0.3 million income from reclassification of CTA.

(4) This amount relates to settlement costs for non-recurring litigation of $0.9 million for the three and nine months ended September 30, 2024. See Note 9 to the condensed consolidated financial statements included in the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 for further discussion.

For the twelve months ended December 31, 2025, 2024, and 2023 pre-opening de novo and relocation costs were $— million, $1.0 million, and $3.3 million, respectively.

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

	Twelve Months Ended December 31,		
($ in thousands)	2025	2024	2023
Net loss	$ (11,667)	$ (8,018)	$ (4,240)
Plus			
Equity-based compensation[1]	2,331	3,762	18,224
Restructuring and related severance costs	2,220	6,026	5,488
Loss/(gain) on disposal of long-lived assets [2]	4,575	16	(212)
Cost related to closing location, net [3]	2,152	—	—
Litigation settlements[4]	—	850	—
Tax effect of adjustments[6]	(2,932)	(1,271)	(2,732)
Adjusted net (loss)/income	**$ (3,321)**	**$ 1,365**	**$ 16,528**
Adjusted net (loss)/income per share of common stock [5]			
Basic	$ (0.05)	$ 0.02	$ 0.29
Diluted	$ (0.05)	$ 0.02	$ 0.29

Weighted average shares outstanding			
Basic	60,450,769	57,688,906	56,778,793
Diluted	60,450,769	58,281,133	57,611,469

(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) During the fiscal year ended 2025, the Company recorded a $4.5 million loss related to the impairment of a portion of the Salesforce implementation project and $0.1 million related to the corporate office PPE write-off. See Note 1 to the consolidated financial statements included in this Annual Report on Form 10-K for further discussion.

(3) During the fiscal year ended 2025, the Company recorded $2.2 million in costs related to the closure of the London facility. Comprising of that amount is a $2.4 million loss on London PPE, $3.3 million rent expense from accelerated amortization, offset by a $3.2 million gain on the deconsolidation as of December 31, 2025 related to net liabilities and $0.3 million income from reclassification of CTA.

(4) This amount relates to settlement costs for non-recurring litigation of $0.9 million for the three and nine months ended September 30, 2024. See Note 9 to the condensed consolidated financial statements included in the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2024 for further discussion.

(5) 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.

(6) Within the tax effect of adjustments, any disallowed stock compensation related to 162(m) is used to offset equity-based compensation recognized under GAAP. For the year ended December 31, 2025, there is no disallowed stock compensation related to 162(m) because the prior year awards subject to these limitations have either vested or been forfeited, and no active stock awards are currently subject to these limitations.

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 been 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 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.

Interest Expense

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

Results of Operations

Twelve Months Ended December 31, 2025 Compared to Twelve Months Ended December 31, 2024

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:

	Twelve Months Ended December 31,					
	2025		2024		2023	
($ in 000s)	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Revenue	$151,818	100.0 %	$180,350	100.0 %	$195,917	100.0 %
Operating expenses:						
Cost of service	61,690	40.6 %	71,149	39.5 %	73,773	37.7 %

Selling, general and administrative	82,180	54.1 %	98,880	54.8 %	102,381	52.3 %
Depreciation and amortization	12,781	8.4 %	11,888	6.6 %	10,253	5.2 %
Loss on impairment of long-lived assets	4,575	3.0 %	16	— %	(212)	(0.1) %
Cost related to closing location, net	2,152	— %	—	— %	—	— %
Total operating expenses	163,378	107.6 %	181,933	100.9 %	186,195	95.0 %
(Loss)/income from operations	(11,560)	(7.6) %	(1,583)	(0.9) %	9,722	5.0 %
Interest expense, net	6,078	4.0 %	6,247	3.5 %	6,485	3.3 %
Pre-tax net (loss)/income	(17,638)	(11.6)%	(7,830)	(4.3) %	3,237	1.7 %
Income tax (benefit)/expense	(5,971)	(3.9) %	188	0.1 %	7,477	3.8 %
Net (loss)/income	$ (11,667)	(7.7) %	$ (8,018)	(4.4) %	$ (4,240)	(2.2) %

Revenue—Our revenue decreased $28.5 million, or 15.8%, compared to the same period in 2024. The decrease is primarily attributed to lower case volume offset by increased rate.

Cost of Service—Our cost of service decreased $9.5 million, or 13.3%, compared to the twelve months ended December 31, 2024. The percentage decrease in cost of service is driven by the decrease in cases compared to the same period in 2024. Cost of service was 40.6% and 39.5% as a percentage of revenue for the twelve months ended December 31, 2025 and 2024, 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 $16.7 million, or 16.9%, for the twelve months ended December 31, 2025 compared to the same period in 2024. This decrease relates to a $5.6 million decrease in advertising costs, $1.1 million decrease in office supplies and expenses, $1.4 million reduction in payroll, $3.7 million decrease in severance expense, $1.6 million decrease in professional services, $1.3 million reduction in travel expense, and a $1.4 million reduction in stock compensation expense. Selling, general and administrative expenses as a percent of revenue were 54.1% and 54.8% for the twelve months ended December 31, 2025 and 2024, respectively.

Selling expenses consist of advertising costs for social, digital and traditional marketing and sales and marketing personnel. Total selling expenses were approximately $36.9 million and $41.4 million for the twelve months ended December 31, 2025 and 2024, respectively. This decrease is primarily related to a decrease in advertising spend associated with brand awareness initiatives. Our customer acquisition costs were approximately $3,114 and $2,950 per customer in the twelve months ended December 31, 2025 and 2024, respectively. 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 $45.3 million and $57.5 million for the twelve months ended December 31, 2025 and 2024, respectively. This decrease relates to a $3.7

million decrease in severance expense, $1.6 million decrease in professional services, $1.3 million reduction in travel expense, and a $1.4 million reduction in stock compensation expense.

Depreciation and Amortization—Depreciation and amortization increased to approximately $12.8 million for the twelve months ended December 31, 2025 compared to $11.9 million for the same period in 2024.

Loss on impairment of long-lived assets— The $4.6 million loss on impairment of long-lived assets during the twelve months ended December 31, 2025 primarily relates to the impairment of a portion of the Company's Salesforce implementation project.

Cost related to closing location, net - During the fiscal year ended 2025, the Company recorded $2.1 million in costs related to the closure of the London facility. Comprising of that amount is a $2.4 million loss on London PPE, $3.3 million rent expense from accelerated amortization, offset by a $3.2 million gain on the deconsolidation as of December 31, 2025 related to net liabilities and $0.3 million income from reclassification of CTA.

Interest Expense, net—Interest expense was $6.1 million and $6.2 million for the twelve months ended December 31, 2025 and 2024, respectively.

Income Tax Expense— Our effective tax rate was (33.8)% and (2.3)% for the twelve months ended December 31, 2025 and 2024, 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, 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 10.

Revenue—Our revenue decreased $15.6 million, or 7.9%, compared to the same period in 2023. The decrease is primarily attributed to lower case volume and lower rate.

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.

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 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.

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.

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, subject to minimum liquidity draw requirements. In March 2025, we filed a Registration Statement on Form S-3 (File No. 333-285825) which covers the offering, issuance and sale, for an aggregate initial offering price not to exceed $100.0 million, of shares of common stock and preferred stock; debt securities; warrants to purchase common stock, preferred stock and/or debt securities; and units. We also commenced an at-the-market offering program, with Leerink Partners LLC (“Leerink”) acting as sales agent. This at-the-market offering program provides us with additional access to capital, as needed, subject to market conditions. During the year-ended December 31, 2025, the Company sold approximately 2.1 million shares of common stock through its at-the-market offering program for total net proceeds of approximately $5.6 million. Subsequent to December 31, 2025, the Company sold an additional approximate 5.9 million shares of common stock through its at-the-market offering program for total net proceeds of approximately $14.8 million. In Q1 of 2026, the Company voluntarily pre-paid $10.0 million of the principal balance of the term loans under the Credit Agreement using cash on hand.

Our primary cash uses are for payroll, marketing and advertisements, rent, debt service, as well as information technology and infrastructure, including our corporate office. Our cash flows are closely tied to the receipt of patient payments, and we have experienced revenue declines in the two most recent years due to a decline in overall cases performed. In response, we implemented during fiscal year 2025 initiatives to return to revenue growth, engaged in a cost reduction program that was estimated to eliminate approximately $3.0 million in annual overhead costs and contracted expenses during fiscal year 2025, and paused de novo center and new procedure room openings. 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.

Our term loan and revolver mature on May 11, 2027. These obligations will need to be restructured prior to their maturity or paid out of then available cash. There can be no assurance we will be able to restructure the debt with the current lender or obtain new financing.

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, 2025, we had $8.4 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, 2025.

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

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

	Twelve Months Ended December 31,		
($ in 000s)	**2025**	**2024**	**2023**
Cash Flows Provided By (Used For):			
Operating activities	$ 3,096	$ 11,350	$ 23,956
Investing activities	(2,404)	(14,007)	(9,919)
Financing activities	(478)	630	(13,391)
Net decrease in cash and cash equivalents	214	(2,027)	646

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, 2025, our operating cash flow decreased by $8.3 million compared to the same period in 2024. The decrease is primarily attributed to weaker than expected revenue performance during the twelve months ended December 31, 2025 as compared to the prior year period. At December 31, 2025, we had a working capital deficit of $(12.4) million compared to $(11.8) million at December 31, 2024.

Investing Activities

Net cash used in investing activities for the twelve months ended December 31, 2025 and 2024 was $2.4 million and $14.0 million, respectively. Investing activities in the twelve months ended December 31, 2025 relate primarily to final payments on our White Plains, NY location that opened in December 2024 and maintenance capital expenditure. Investing activities during the twelve months ended December 31, 2024 were attributable to the preparation for the opening of our 2024 de novo locations.

Financing Activities

Net cash used in financing activities during the twelve months ended December 31, 2025 was $0.5 million. During the twelve months ended December 31, 2025, we received net proceeds of $13.8 million from an underwritten public offering, made principal payments on our debt of $13.8 million, payments for debt modification of $0.4 million, made payments of taxes withheld through vested equity-based compensation of $0.1 million, and received net proceeds of $5.3 million from the at the market offering.

Net cash used in financing activities for the twelve months ended December 31, 2024 was $0.6 million. For the twelve months ended December 31, 2024, we made principal payments on our debt of $2.1 million and made payments of taxes withheld through vested equity-based compensation of $0.9 million.

At-the-Market Common Offering Program

On March 14, 2025, we entered into a sales agreement (the "ATM Agreement") with Leerink, as sales agent, in connection with an at-the-market offering program under which we may offer and sell, from time to time in our sole discretion, shares of our common stock having an aggregate offering price of up to $50.0 million at prices and on terms to be determined by market conditions at the time of offering. The $50.0 million of common stock that may be offered, issued and sold under the ATM Agreement is included in the $100.0 million of securities that may be offered, issued and sold by us under our

Registration Statement on Form S-3 (File No. 333-285825). We and Leerink each have the right to suspend or terminate the ATM Agreement in each party's sole discretion at any time.

For the year ended, December 31, 2025, we sold the following quantities of our common stock pursuant to the ATM Agreement for total net proceeds of approximately $5.6 million:

Date	Shares
Q1 Total	5,618
Q2 Total	118,582
Q3 Total	—
Q4 Total	2,105,791
Total Shares	2,229,991

2025 Underwritten Follow-On Equity Offering

On June 9, 2025, the Company entered into an underwriting agreement (the "Underwriting Agreement") with Leerink Partners LLC ("Leerink Partners"), to issue and sell 3,160,000 shares (the "Firm Shares") of the Company's common stock to Leerink Partners, in an underwritten registered public offering (the "Offering"), at a price of $3.80 per share. Pursuant to the Underwriting Agreement, the Company also granted Leerink Partners a 30-day option to purchase up to an additional 474,000 shares of the Company's common stock (the "Additional Shares," and together with the Firm Shares, the "Shares"), at the same price per share as the Firm Shares. Leerink Partners exercised in full its option to purchase the Additional Shares on June 10, 2025. Vesey Street Capital Partners, L.L.C., which is affiliated with two directors and is the largest stockholder of the Company, purchased an aggregate of 1,000,000 Shares in the Offering on the same terms and conditions as purchases by the public in the Offering.

The Offering closed on June 11, 2025, and the Company received net proceeds of approximately $13.8 million from the sale of 3,634,000 Shares, which included the 474,000 Additional Shares, after deducting estimated offering expenses. The Company used the net proceeds from the Offering for the prepayment of a portion of the Company's outstanding indebtedness under its existing credit agreement and the remainder of the net proceeds from the Offering for general corporate purposes, including working capital and other business opportunities.

The Offering was pursuant to a prospectus supplement dated June 9, 2025, filed with the SEC in connection with the Company's shelf registration statement on Form S-3 (File 333-285825), filed with the SEC on March 14, 2025 and declared effective on March 24, 2025 and the related prospectus dated March 14, 2025.

Material Cash Requirements

The following table summarizes our material cash requirements as of December 31, 2025:

	Payments due by Period				
($ in thousands)	Total	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years
Debt – principal and revolver[(1)]	$ 56,957	$ 5,460	$ 51,497	$ —	$ —
Interest expense[(2)]	6,807	5,098	1,709	—	—
Operating lease agreements	34,116	6,959	16,192	7,578	3,387
Total	$ 97,880	$ 17,517	$ 69,398	$ 7,578	$ 3,387

(1) 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 8.47% for the debt which was the interest rate applicable to the borrowing as of December 31, 2025.

Long-Term Debt

The carrying value of our total indebtedness was $56.0 million and $74.7 million, which includes unamortized deferred financing costs and issuance discount of $0.9 million and $1.0 million, and funds drawn on the revolving credit facility of $0.0 million and $5.0 million, as of December 31, 2025 and December 31, 2024, 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 (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 originally bore interest based on either a base rate or SOFR plus an applicable per annum margin. 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 is below 1.0x, the applicable per annum margin was 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 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 was 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 was 1.5% or 2.5% for base rate or SOFR, respectively.

On March 12, 2025, the Company entered into 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) $3.0 million as of the last day of the month ending March 31, 2025, (B) $5.0 million as of the last day of the month ending April 30, 2025, and (C) $7.5 million 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 our 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 thousand arrangement fee to Silicon Valley Bank. 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 was callable on June 15, 2025 (or upon the earlier occurrence of certain defaults described therein) in the Company had not prepaid the Term Loan (excluding regularly scheduled amortization) by $10.0 million as of such date. On June 13, 2025, the Company made a $10.0 million principal payment on the term loan in accordance with the Third Amendment using proceeds from its underwritten public offering completed on June 11, 2025. The Limited Guarantee automatically terminated on March 12, 2026 following the prepayment of the Term Loan in an aggregate amount of $20.0 million since the date of the Limited Guarantee.

As of December 31, 2025, the interest rate under the Credit Agreement was 8.47%.

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 (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. December 31, 2025 is the last period the Company qualifies as an emerging growth company.

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 been performed were $1.9 million as of December 31, 2025 and $1.2 million as of December 31, 2024, 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 2025 and 2024 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, 2025 and 2024.

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, 2025, we had term loan borrowings of $57.0 million in principal amount under the Loan Agreement and $0.0 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 $0.6 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

INDEX TO FINANCIAL STATEMENTS

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, 2025 and 2024, the related consolidated statements of operations, other comprehensive loss, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2025, 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, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, 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 31, 2026

AirSculpt Technologies, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2025 and 2024

($000s, except for shares)	December 31, 2025	December 31, 2024
Assets		

Current assets		
Cash and cash equivalents	$ 8,449	$ 8,235
Taxes receivable	1,499	3,056
Prepaid expenses and other current assets	5,508	5,826
Total current assets	15,456	17,117
Property and equipment, net	27,814	37,471
Other long-term assets	3,007	5,428
Right of use operating lease assets	22,454	29,439
Intangible assets, net	36,839	41,592
Goodwill	81,734	81,734
Total assets	$ 187,304	$ 212,781
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 5,368	$ 6,256
Accrued payroll and benefits	2,607	2,531
Current portion of long-term debt	5,460	4,250
Deferred revenue and patient deposits	1,871	1,169
Accrued and other current liabilities	5,298	8,304
Current operating lease liabilities	7,298	6,439
Total current liabilities	27,902	28,949
Long-term debt, net	50,585	65,456
Deferred tax liability, net	878	6,576
Long-term operating lease liabilities	20,227	27,795
Revolving credit funds payable	—	5,000
Other long-term liabilities	—	817
Total liabilities	99,592	134,593
Commitments and contingent liabilities (Note 9)		
Stockholders' equity		
Common stock, $0.001 par value; shares authorized - 450,000,000; shares issued and outstanding - 64,455,872 and 58,369,138, respectively	64	58
Additional paid-in capital	128,315	107,721
Accumulated other comprehensive loss	(96)	(687)
Accumulated deficit	(40,571)	(28,904)
Total stockholders' equity	87,712	78,188
Total liabilities and stockholders' equity	$ 187,304	$ 212,781

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, 2025, 2024 and 2023

(in $000s, except for shares and per share figures)	Twelve Months Ended December 31, 2025	2024	2023
Revenue	$ 151,818	$ 180,350	$ 195,917
Operating expenses:			
Cost of service (exclusive of depreciation and amortization)	61,690	71,149	73,773
Selling, general and administrative[1]	82,180	98,880	102,381
Depreciation and amortization	12,781	11,888	10,253
Loss/(gain) on disposal of long-lived assets [2]	4,575	16	(212)
Cost related to closing location, net [3]	2,152	—	—
Total operating expenses	163,378	181,933	186,195
(Loss)/income from operations	(11,560)	(1,583)	9,722
Interest expense, net	6,078	6,247	6,485
Pre-tax net (loss)/income	(17,638)	(7,830)	3,237
Income tax (benefit)/expense	(5,971)	188	7,477
Net loss	$ (11,667)	$ (8,018)	$ (4,240)
Loss per share of common stock			
Basic	$ (0.19)	$ (0.14)	$ (0.08)
Diluted	$ (0.19)	$ (0.14)	$ (0.08)
Weighted average shares outstanding			
Basic	60,450,769	57,688,906	56,778,793
Diluted	60,450,769	57,688,906	56,778,793

(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 condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for further discussion.

(2) During the fiscal year ended 2025, the Company recorded a $4.5 million loss related to the impairment of a portion of the Salesforce implementation project and $0.1 million related to the corporate office PPE write-off. See Note 1 to the consolidated financial statements included in this Annual Report on Form 10-K for further discussion.

(3) During the fiscal year ended 2025, the Company recorded $2.2 million in costs related to the closure of the London facility. Comprising of that amount is a $2.4 million loss on London PPE, $3.3 million rent expense from accelerated amortization, offset by a $3.2 million gain on the deconsolidation as of December 31, 2025 related to net liabilities and $0.3 million income from reclassification of CTA.

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, 2025, 2024 and 2023

	Twelve Months Ended December 31,		
($000s)	**2025**	**2024**	**2023**
Net loss	$ (11,667)	$ (8,018)	$ (4,240)
Other comprehensive income/(loss):			
Change in foreign currency translation adjustment	336	(275)	(336)
Reclassification of cumulative translation adjustment to income upon sale or liquidation of certain foreign entities (1)	255	—	—
Total other comprehensive income/(loss)	591	(275)	(336)
Comprehensive loss	$ (11,076)	$ (8,293)	$ (4,576)

(1) During the year ended December 31, 2025, the Company reclassed currency translation of $255 thousand related to the London deconsolidation.

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, 2025, 2024 and 2023

($000s, except for shares)	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
Balance at December 31, 2022	56,181,689	$ 56	$ 85,858	$ (76)	$ (15,072)	$ 70,766
Adjustment to opening retained earnings for correction of immaterial errors	—	—	—	—	(1,574)	(1,574)
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	—	—	—	—	(4,240)	(4,240)
Other comprehensive loss	—	—	—	(336)	—	(336)
Balance at December 31, 2023	57,355,676	57	103,898	(412)	(20,886)	82,657
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	—	—	—	—	(8,018)	(8,018)
Other comprehensive loss	—	—	—	(275)		(275)
Balance at December 31, 2024	58,369,138	58	107,721	(687)	(28,904)	78,188
Issuance of common stock through unit vesting	309,332	1	—	—	—	1
Issuance of common stock through public offerings, net	5,863,991	5	18,764	—	—	18,769
Equity-based compensation	—	—	2,331	—	—	2,331
Payment of taxes withheld through vested equity-based compensation	—	—	(56)	—	—	(56)
Net loss	—	—	—	—	(11,667)	(11,667)
Other	—	—	(445)	591	—	146
Balance at December 31, 2025	64,542,461	$ 64	$128,315	$ (96)	$ (40,571)	$ 87,712

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, 2025, 2024 and 2023

($000s)	Twelve Months Ended December 31, 2025	2024	2023
Cash flows from operating activities			
Net loss	$ (11,667)	$ (8,018)	$ (4,240)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	12,781	11,888	10,253
Equity-based compensation	2,331	3,762	18,224
Non-cash interest expense; amortization of debt costs	525	339	207
Deferred income taxes	(5,914)	(252)	1,342
Loss on impairment of long-lived assets	4,575	16	(212)
Cost related to closing location	2,152	—	—
Changes in assets and liabilities			
Taxes receivable	1,556	(1,115)	890
Prepaid expense and other current assets	(4,440)	(2,059)	466
Other assets	6,669	(2,882)	(4,711)
Accounts payable	579	739	(206)
Deferred revenue and patient deposits	735	(293)	(896)
Accrued and other liabilities	(6,786)	9,225	2,839
Net cash used in operating activities	3,096	11,350	23,956
Cash flows from investing activities			
Purchases of property and equipment, net	(2,404)	(14,007)	(9,919)
Net cash used in investing activities	(2,404)	(14,007)	(9,919)
Cash flows from financing activities			
Payments on term loan	(13,793)	(2,125)	(12,125)
Payments for debt modification	(393)	(136)	—
Payments on revolving credit facility	(5,000)	5,000	—
Proceeds from public offerings, net	18,764	—	—
Distribution to member	—	—	(79)
Dividends paid to shareholders	—	(252)	(385)
Payment of taxes withheld through vested equity-based compensation	(56)	(903)	(233)
Other financing activity	—	(954)	(569)
Net cash used in financing activities	(478)	630	(13,391)
Net decrease in cash and cash equivalents	214	(2,027)	646
Cash and cash equivalents			
Beginning of period	8,235	10,262	9,616

End of period	$ 8,449	$ 8,235	$ 10,262
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 5,562	$ 5,997	$ 6,277
Supplemental disclosure of non-cash investing information:			
Property and equipment included in accounts payable and accrued expenses	$ 1,578	$ 1,595	$ 283

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 and Canada. 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

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, 2024 and 2023 were recognized in revenue during the twelve months ended December 31, 2025 and 2024.

For the twelve months ended December 31, 2025, 2024, and 2023, revenue from international locations was $4.6 million, $6.1 million, and $5.2 million, respectively, and net loss from international operations was $6.2 million, $1.5 million, and $1.9 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 $0.5 million, $0.3 million, and $0.2 million for the twelve months ended December 31, 2025, 2024 and 2023, 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, 2025 and 2024, the Company has $1.3 million and $2.6 million recorded, respectively, in prepaids and other current assets, and $0.0 million and $2.4 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. Impairment charges were $6.7 million, $0.0 million, and $0.0 million for the years ended December 31, 2025, December 31, 2024 and December 31, 2023 respectively. The impairment charges for the year ended December 31, 2025 consisted of approximately $4.5 million related to the Salesforce impairment expense and approximately $2.2 million impairment expense related to the closure of the London facility.

On September 1, 2025, the Company made the decision to close our facility in the United Kingdom because of its financial performance, which was deemed a triggering event for long-lived asset impairment testing. As a result of the closure, a loss of $2.2 million was recorded primarily related to impairment of the property, plant, and equipment at this location.See Note 12 to the consolidated financial statements included in this Annual Report on Form 10-K for further discussion.

As of September 30, 2025, the Company determined that a portion of the Salesforce software implementation project will not be completed. As a result, the Company recorded an impairment charge of $4.5 million to adjust the software project to its fair value. The Company continues to develop the remaining portion of our software project which focuses on our sales process and anticipate its completion in the second quarter of fiscal year 2026.

Fair Value

ASC Topic 820, *Fair Value Measurements and Disclosure*s, 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, 2025, 2024 and 2023 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, 2025, 2024 and 2023 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 $27.3 million, $33.4 million and $25.9 million for the twelve months ended December 31, 2025, 2024 and 2023, 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, 2025 or December 31, 2024.

The Company has effective tax rates of approximately (33.8)%, (2.3)% and 249.4% for the twelve months ended December 31, 2025, 2024 and 2023, 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 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 adopted ASU 2023-09 as of December 31, 2025 using a prospective approach and the adoption did not have a material impact on the Company's consolidated financial statements, except for the disclosure requirements.

Recent Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses,* which requires public business entities (PBEs) to disclose detailed breakdowns of specific expense captions (e.g., COGS, SG&A) in annual and interim notes. It mandates tabular, disaggregated information—such as employee compensation, depreciation, and amortization—to improve transparency for investors. The ASU is effective for annual periods beginning after December 15, 2026 and interim period beginning after December 15, 2027. 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 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 on October 1, 2025 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, 2025, 2024 and 2023.

The Company had goodwill of $81.7 million at December 31, 2025 and December 31, 2024.

Intangible assets consisted of the following at December 31, 2025 and December 31, 2024 (in 000's):

	December 31, 2025	December 31, 2024	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	(25,906)	(22,333)	
Accumulated amortization of tradenames and trademarks	(8,555)	(7,375)	
Total intangible assets	$ 36,839	$ 41,592	

Aggregate amortization expense on intangible assets was approximately $4.8 million for each of the years ended December 31, 2025, 2024, and 2023.

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,	
2026	$ 4,753
2027	4,753
2028	4,753
2029	4,753
2030	4,753
Thereafter	13,074
Total	$ 36,839

NOTE 3 – PROPERTY AND EQUIPMENT, NET

As of December 31, 2025 and December 31, 2024 property and equipment consists of the following (in 000's):

	December 31, 2025	**December 31, 2024**
Medical equipment	$ 13,076	$ 13,568
Office and computer equipment	946	965
Furniture and fixtures	4,567	5,049
Leasehold improvements	32,440	34,270
Construction in progress	2,423	2,251
Less: Accumulated depreciation	(25,637)	(18,632)
Property and equipment, net	$ 27,814	$ 37,471

Depreciation expense was approximately $8.0 million, $7.1 million, and $5.5 million for the years ended December 31, 2025, 2024, and 2023 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.

On March 12, 2025, the Company amended the Credit Agreement (the "Third Amendment") to modify certain financial 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) $3.0 million as of the last day of the month ending March 31, 2025, (B) $5.0 million as of the last day of the month ending April 30, 2025, and (C) $7.5 million 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 Vesey Street Capital Partners, L.L.C., our private equity sponsor (“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 thousand arrangement fee to Silicon Valley Bank. 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 limited guaranty of the Company’s obligations under the Credit Agreement. The Limited Guarantee was callable on June 15, 2025 (or upon the earlier occurrence of certain defaults described therein) if the Company had not prepaid the term loan (excluding regularly scheduled amortization) by $10.0 million as of such date.On June 13, 2025, the Company made a $10.0 million principal payment on the term loan in accordance with the Third Amendment using proceeds from its underwritten public offering completed on June 11, 2025. The Limited Guarantee automatically terminated on March 12, 2026 following the prepayment of the Term Loan in an aggregate amount of $20.0 million since the date of the Limited Guarantee.

As of December 31, 2025, the interest rate under the Credit Agreement was 8.47%.

Total borrowings as of December 31, 2025 and December 31, 2024 were as follows (in 000’s):

	December 31, 2025	December 31, 2024
Term loan	$ 56,957	$ 70,750
Unamortized debt discounts and issuance costs	(912)	(1,044)
Total debt, net	56,045	69,706
Less: Current portion	(5,460)	(4,250)
Long-term debt, net	$ 50,585	$ 65,456

As of December 31, 2025 and December 31, 2024, the Company had $5.0 million and $0.0 million available on the revolving credit facility.

The scheduled future maturities of long-term debt as of December 31, 2025 is as follows (in 000's):

Year ending December 31,		
2026	$	5,460
2027		51,497
Total maturities	$	56,957

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 discussed above. The Company is in compliance with all covenants and has no letter of credit outstanding as of December 31, 2025.

NOTE 5 – LEASES

As discussed in Note 13, management identified immaterial errors in the previously issued consolidated financial statements related to the accounting for certain lease arrangements under ASC 842, Leases. Specifically, the Company determined that right-of-use ("ROU") operating lease assets and corresponding operating lease liabilities were understated due to errors in the subsequent measurement and accounting for certain leases. The correction of these errors also resulted in immaterial impacts to lease-related expense in the consolidated statements of operations for the affected periods. The revised information for the historical periods is reflected herein.

The Company's operating leases are primarily for real estate, including medical office suites and corporate offices. For the twelve months ended December 31, 2025, 2024, and 2023, the Company incurred rent expense of $10.0 million, $6.5 million, and $5.8 million, respectively, related to its medical office suites. The Company ceased use of our leased facility in London on November 15, 2025 and have adjusted the remaining right-of-use asset resulting in accelerated amortization of $3.3 million of rent expense for fiscal year 2025, which is classified in selling, general and administrative expenses. 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 $282,661, $364,413, and $364,413 for the twelve months ended December 31, 2025, 2024, and 2023, 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, 2025, 2024, and 2023:

	December 31, 2025	December 31, 2024	December 31, 2023
Weighted-average remaining lease term	5.9 years	6.6 years	6.2 years
Weight average discount rate	6.9%	6.5%	5.9%

The following table presents supplemental cash flow information for the twelve months ended December 31, 2025 and 2024 (in 000's):

	December 31, 2025	December 31, 2024
Cash paid for amounts included in the measurement of lease liabilities:		

Operating cash outflows from operating leases	$	6,716	$	6,656
Right-of-use assets obtained in exchange for lease obligations:				
Operating leases	$	1,042	$	6,463

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,		
2026	$	6,959
2027		6,395
2028		5,585
2029		4,212
2030		3,172
Thereafter		7,793
Total lease payments		34,116
Less: imputed interest		(6,591)
Total lease obligations	$	27,525

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, 2025 and 2024, the Company granted 1,107,531 and 590,279 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, 2025 and 2024, the Company granted 899,919 and 482,165 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"). Additionally, during the fiscal year ended December 31, 2025 the CEO was granted PSUs, with vesting conditioned on the attainment of a 60-day volume weighted average price ("VWAP") based on market price. Based on the rTSR, the awards can settle in shares in a range from 0% to 200%. In addition to the achievement of the market 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, 2025, 2024 and 2023.

	2025	2024	2023
Expected volatility	83.3%	81.9%	89.9%
Expected term	2.79	2.77	2.83
Risk-free interest rate	3.99%	3.83%	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.

2025 Underwritten Follow-On Equity Offering

On June 9, 2025, the Company entered into an underwriting agreement (the "Underwriting Agreement") with Leerink Partners LLC ("Leerink Partners"), to issue and sell 3,160,000 shares (the "Firm Shares") of the Company's common stock to Leerink Partners, in an underwritten registered public offering (the "Offering"), at a price of $3.80 per share. Pursuant to the Underwriting Agreement, the Company also granted Leerink Partners a 30-day option to purchase up to an additional

474,000 shares of the Company's common stock (the "Additional Shares," and together with the Firm Shares, the "Shares"), at the same price per share as the Firm Shares. Leerink Partners exercised in full its option to purchase the Additional Shares on June 10, 2025. Vesey Street Capital Partners, L.L.C., which is affiliated with two directors and is the largest stockholder of the Company, purchased an aggregate of 1,000,000 Shares in the Offering on the same terms and conditions as purchases by the public in the Offering.

The Offering closed on June 11, 2025, and the Company received net proceeds of approximately $13 million from the sale of 3,634,000 Shares, which included the 474,000 Additional Shares, after deducting estimated offering expenses.

The Offering was pursuant to a prospectus supplement dated June 9, 2025, filed with the SEC in connection with the Company's shelf registration statement on Form S-3 (File 333-285825), filed with the SEC on March 14, 2025 and declared effective on March 24, 2025 and the related prospectus dated March 14, 2025.

At-the-Market Common Offering Program

On March 14, 2025, the Company entered into a sales agreement (the "ATM Agreement") with Leerink, as sales agent, in connection with an at-the-market offering program under which the Company may offer and sell, from time to time in our sole discretion, shares of our common stock having an aggregate offering price of up to $50.0 million at prices and on terms to be determined by market conditions at the time of offering. The $50.0 million of common stock that may be offered, issued and sold under the ATM Agreement is included in the $100.0 million of securities that may be offered, issued and sold by us under our Registration Statement on Form S-3 (File 333-285825). The Company and Leerink each have the right to suspend or terminate the ATM Agreement in each party's sole discretion at any time.

For the year ended, December 31, 2025, we sold the following quantities of our common stock pursuant to the ATM Agreement for total net proceeds of approximately $5.8 million:

Date	Shares
Q1 Total	5,618
Q2 Total	118,582
Q3 Total	—
Q4 Total	2,105,791
Total Shares	2,229,991

Restricted and Performance Equity-Based Activity

A summary of the Company's RSU and PSU activity for the twelve months ended December 31, 2025, 2024 and 2023 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, 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
Granted	2,007,450	3.29
Forfeitures/Cancellations	(910,890)	12.50
Vestings	(292,813)	4.43
Outstanding at December 31, 2025	2,419,130	$ 4.66

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 $2.3 million, $3.8 million, and $18.2 million for the twelve months ended December 31, 2025, 2024, and 2023, 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, 2025, the Company had actual vestings with fair market value of $1.9 million and $0.0 million related to employees and directors, respectively.

Unrecognized compensation cost related to unvested time-based shares was approximately $2.4 million as of December 31, 2025. Unrecognized compensation cost will be expensed annually based on the number of shares that vest during the year. As of December 31, 2025, the weighted average remaining vesting term on the unvested time-based shares was 0.50 years. Further, the Company has unrecognized compensation cost of $2.3 million related to the PSUs as of December 31, 2025, 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, 2025, the weighted average remaining vesting term on the unvested PSUs was 0.74 years.

The Company recognized distributions to EBS Parent, LLC (the "Parent") of approximately $0.0 million, $0.1 million, and $1.2 million for the twelve months ended December 31, 2025, 2024, and 2023, 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, 2025, 2024, and 2023 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, 2025, 2024, and 2023 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,		
	2025	2024	2023
Numerator:			
Net loss	$ (11,667)	$ (8,018)	$ (4,240)
Denominator:			
Weighted average shares of common stock outstanding - basic	60,450,769	57,688,906	56,778,793
Add: Effect of dilutive securities	—	—	—
Weighted average shares of common stock outstanding - diluted	60,450,769	57,688,906	56,778,793
Loss per share of common stock outstanding - basic and diluted	$ (0.19)	$ (0.14)	$ (0.08)

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,		
	2025	2024	2023
Restricted stock units	1,156,335	667,931	1,047,501
Performance and market-based stock units	1,262,795	947,452	1,625,882

NOTE 8 – INCOME TAXES

The components of loss before income taxes for the years ended December 31, 2025, 2024 and 2023 are as follows (in 000's):

	Fiscal Year Ended December 31, 2025	Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2023
Domestic	$ (11,473)	$ (6,293)	$ 5,145
Foreign	(6,165)	(1,537)	(1,908)
Total	$ (17,638)	$ (7,830)	$ 3,237

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

	Fiscal Year Ended December 31,		
	2025	2024	2023

Current			
U.S. Federal	$ (2)	$ (81)	$ 4,565
State and Local	(55)	521	1,570
Total current income tax expense	(57)	440	6,135
Deferred			
U.S. Federal	(4,777)	(95)	1,192
State and Local	(1,155)	(199)	431
Foreign	18	42	(281)
Total deferred income tax (benefit)/expense	(5,914)	(252)	1,342
Total	$ (5,971)	$ 188	$ 7,477

The effective tax rates for the fiscal years ended December 31, 2025, 2024 and 2023 were (33.8)%, (2.3)% and 249.4%. The most significant items impacting the effective tax rate during fiscal years 2025, 2024 and 2023 are non-deductible officer compensation expense and the items listed in the tables below.

The following table presents required disclosure pursuant to ASU 2023-09 and reconciles the U.S. federal statutory tax amount and rate to our actual global effective amount and rate for the year ended December 31, 2025 (in 000's):

	Fiscal Year Ended December 31, 2025	
Income tax expense/(benefit) computed at federal statutory rate	$ (3,704)	21.0 %
State taxes, net of federal benefit [1]	(1,181)	6.7 %
Foreign tax effects		
United Kingdom		
Statutory tax rate difference between UK and US	125	(0.7) %
Deferred tax write-offs	(958)	5.4 %
Valuation allowance changes	2,142	(12.1) %
Other foreign jurisdictions [2]	4	0.00 %
Nontaxable or nondeductible items		
Worthless stock deduction	(2,422)	13.7 %
Other permanent items	156	(0.9) %
Other reconciling items	(133)	0.7 %
Total	$ (5,971)	(33.8) %

(1) State and local taxes in California, Florida, and New York City made up the majority (greater than 50%) of the tax effect in this category.

(2) Includes Canada

A reconciliation of income taxes computed at the U.S. federal statutory income tax rate of 21% to the Company's income tax benefit/(expense) was as follows (in 000's):

Fiscal Year Ended December 31, 2024	Fiscal Year Ended December 31, 2023

At U.S. Federal statutory tax rate	$ (1,710)	21.0 %	$ 629	21.0 %
State income taxes	212	(2.6) %	1,670	55.7 %
Nondeductible officer compensation	1,381	(17.0) %	4,769	159.1 %
Valuation allowance and other nondeductible expenses	304	(3.7) %	409	13.6 %
Total	$ 188	(2.3) %	$ 7,477	249.4 %

The Company's deferred taxes consisted of the following (in 000's):

	December 31,	
	2025	2024
Deferred tax assets		
Accrued liabilities	$ 110	$ 39
Net operating losses	2,950	1,368
Operating lease liability	7,185	7,181
Equity-based compensation	1,087	887
163 (j) limitation	3,176	1,837
State bonus depreciation	705	735
Other	750	614
Total deferred tax assets	15,963	12,661
Valuation allowance	—	(793)
Total deferred tax assets, net of valuation allowance	15,963	11,868
Deferred tax liabilities		
Property, plant, and equipment	(5,167)	(6,464)
Intangible assets	(5,574)	(4,722)
Right-of-use assets	(5,894)	(6,588)
Prepaid expenses and other current assets	—	(690)
Total deferred tax liabilities	(16,635)	(18,464)
Net deferred taxes	$ (672)	$ (6,596)

As of December 31, 2025, the Company had federal, state, and foreign net operating loss carryforwards in the amount of $9.6 million, $13.6 million, and $0.8 million, and $1.6 million, $0.9 million and $5.0 million, respectively. Certain losses have an indefinite carryforward period, while other loss carryforwards will expire in years 2039 through 2045.

The deferred tax asset related to foreign operations, $0.2 million, is recorded on the consolidated balance sheet as of December 31, 2025. Our deferred tax assets have been evaluated for realization based on historical taxable income, tax planning strategies, the expected timing of reversals of existing temporary differences and future taxable income anticipated. Our deferred tax assets are more likely than not to be realized in full due to the existence of sufficient taxable income of the appropriate character under the tax law. The valuation allowance was reduced in the current year by $(0.8) million as the related deferred tax asset for the foreign NOLs of $0.8 million was written off during the current year due to the closure of the London entity. Management recorded an increase of $0.8 million to the 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.

We adopted ASU 2023-09 on a prospective basis for the year ended December 31, 2025. The components of income taxes paid were as follows (in 000's):

	Fiscal Year Ended December 31, 2025
Federal	$ (1,899)
Other State	66
Foreign	—
Income taxes paid, net of refunds	$ (1,833)

Cash paid for income taxes for the years ended December 31, 2024 and December 2023 was $1.8 million and $4.6 million, respectively.

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. The Company is subject to income taxation at the federal, foreign, and various state levels. The Company is no longer subject to U.S. federal tax examinations for tax years before 2022, and with few exceptions, the Company is not subject to examination by foreign or state tax authorities for tax years which ended before 2022. Loss carryforwards and credit carryforwards generated or utilized in years earlier than 2022 are also subject to examination and adjustment.

As of December 31, 2025 and 2024, 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 Key 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 (benefit)/expense, restructuring and related severance costs, loss on impairment 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 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.

	Twelve Months Ended December 31,		
($ in thousands)	2025	2024	2023
Revenue	$ 151,818	$ 180,350	$ 195,917
Operating expenses:			
Cost of service (exclusive of depreciation and amortization) [1]	61,690	71,149	73,773
Advertising cost	27,316	33,429	25,938
Facility selling, general, and administrative expense	21,089	22,933	24,694
Corporate selling, general, and administrative expense [2] [3]	33,775	42,518	51,749
Depreciation and amortization	12,781	11,888	10,253
Loss on impairment of long-lived assets[3]	4,575	16	(212)
Cost related to closing facility, net [4]	2,152	—	—
Total operating expenses	163,378	181,933	186,195
Loss from operations	(11,560)	(1,583)	9,722
Interest expense, net	6,078	6,247	6,485
Pre-tax net loss	(17,638)	(7,830)	3,237
Income tax (benefit)/expense	(5,971)	188	7,477
Net loss	$ (11,667)	$ (8,018)	$ (4,240)
Segment assets	$ 187,304	$ 209,996	$ 204,891

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

(2) 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.

(3) During the fiscal year ended 2025, the Company recorded a $4.5 million loss related to the impairment of a portion of the Salesforce implementation project and $0.1 million related to the corporate office PPE write-off. See Note 1 to the consolidated financial statements included in this Annual Report on Form 10-K for further discussion.

(4) During the fiscal year ended 2025, the Company recorded $2.2 million in costs related to the closure of the London facility. Comprising of that amount is a $2.4 million loss on London PPE, $3.3 million rent expense from accelerated amortization, offset by a $3.2 million gain on the deconsolidation as of December 31, 2025 related to net liabilities and $0.3 million income from reclassification of CTA.

NOTE 11 – ACCRUED AND OTHER CURRENT LIABILITIES

As of December 31, 2025 and December 31, 2024 accrued and other current liabilities consists of the following (in 000's):

	December 31, 2025	December 31, 2024
Accrued advertising costs	$ —	$ 3,209
Credit card payable	1,985	1,576
Accrued severance	817	1,400
Other	2,496	2,119
Accrued and other current liabilities	$ 5,298	$ 8,304

NOTE 12 - DECONSOLIDATIONS

On September 1, 2025, the Company made the decision to close our facility in the United Kingdom because of its financial performance, which was deemed a triggering event for long-lived asset impairment testing. As a result of the closure, a loss of $2.4 million was recognized related to impairment of the property, plant, and equipment at this location. Additionally, the Company ceased use of our leased facility on November 15, 2025, and adjusted the remaining right-of-use asset resulting in accelerated amortization of approximately $3.3 million of rent expense from accelerated amortization during the year ended December 31, 2025.

During the fourth quarter of 2025, the Company completed the dissolution of operations at the London facility in the United Kingdom. All remaining net assets were turned over to a liquidator in accordance with the applicable laws and regulations in the United Kingdom and the Company will have no further continuing involvement. Deconsolidation of the entity was recognized due to loss of control which resulted in a gain of $3.2 million related to net liabilities absolved and reclassification of the currency translation adjustment from other comprehensive income.

These transactions are included in cost related to closing location, net. The transactions consist of $2.4 million loss on London PPE, $3.3 million rent expense from accelerated amortization, offset by a $3.2 million gain on the deconsolidation as of December 31, 2025 related to net liabilities and $0.3 million income from reclassification of CTA.

NOTE 13 - CORRECTION OF IMMATERIAL ERRORS

During the preparation of the Company's consolidated financial statements for the year ended December 31, 2025, management identified immaterial errors in the previously issued consolidated financial statements related to the accounting for certain lease arrangements under ASC 842, Leases. Specifically, the Company determined that right-of-use ("ROU") operating lease assets and corresponding operating lease liabilities were understated due to errors in the subsequent measurement and accounting for certain leases. The correction of these errors also resulted in immaterial impacts to lease-related expense in the consolidated statements of operations for the affected periods.

In accordance with the Staff Accounting Bulletin ("SAB") No. 99, *Materiality* and SAB No. 108, *Considering the Effects of Prior Year Misstatements When Quantifying Misstatements in the Current Year Financial Statements*, the Company evaluated both the quantitative and qualitative factors associated with these errors and determined that impacts were not material, individually or in the aggregate, to the Company's previously issued consolidated financial statements. As a result, the Company has revised its prior period consolidated financial statements and related disclosures for the years ended December 31, 2024 and 2023 to correct the errors.

The following tables summarize the impacts of the corrections on the Company's consolidated financial statements for the annual periods ended December 31, 2023 and December 31, 2024 (all presented in thousands):

Consolidated Balance Sheets

	As of December 31, 2024		
	As Previously Filed	Revision	As Revised
Right of use operating lease assets	$ 25,669	$ 3,770	$ 29,439
Other long term assets	6,413	(985)	5,428
Total Assets	209,996	2,785	212,781
Current operating lease liabilities	6,099	340	6,439
Total Current Liabilities	28,609	340	28,949
Long-term operating lease liabilities	24,248	3,547	27,795
Total Liabilities	130,706	3,887	134,593
Accumulated deficit	(27,802)	(1,102)	(28,904)
Total stockholders' equity	79,290	(1,102)	78,188
Total liabilities and stockholders' equity	209,996	2,785	212,781

Consolidated Statements of Operations

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	As Previously Filed	Revision	As Revised	As Previously Filed	Revision	As Revised
Cost of Service	$ 71,382	$ (233)	$ 71,149	$ 74,012	$ (239)	$ 73,773
(Loss)/Income from operations	(1,816)	233	(1,583)	9,483	239	9,722
Net Loss	(8,251)	233	(8,018)	(4,479)	239	(4,240)
Basic EPS	$ (0.14)	—	$ (0.14)	$ (0.08)	$ —	$ (0.08)
Diluted EPS	$ (0.14)	—	$ (0.14)	$ (0.08)	$ —	$ (0.08)

Consolidated Statements of Other Comprehensive Loss

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	As Previously Filed	Revision	As Revised	As Previously Filed	Revision	As Revised
Net Loss	$ (8,251)	$ 233	$ (8,018)	$ (4,479)	$ 239	$ (4,240)
Comprehensive Loss	(8,526)	233	(8,293)	(4,815)	239	(4,576)

Consolidated Statements of Changes in Stockholders' Equity

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Accumulated Deficit - As Previously Filed	Accumulated Deficit - Revision	Accumulated Deficit - As Revised	Accumulated Deficit - As Previously Filed	Accumulated Deficit - Revision	Accumulated Deficit - As Revised
Adjustment to opening retained earnings for correction of immaterial errors	$ —	$ —	$ —	$ —	$ (1,574)	$ (1,574)
Net Loss	(8,251)	233	(8,018)	(4,479)	239	(4,240)
Total - Accumulated Deficit	(27,802)	(1,102)	(28,904)	(19,551)	(1,335)	(20,886)
Total - Stockholders' equity	79,290	(1,102)	78,188	83,992	(1,335)	82,657

Consolidated Statements of Cash Flows

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	As Previously Filed	Revision	As Revised	As Previously Filed	Revision	As Revised
Net loss	$ (8,251)	$ 233	$ (8,018)	$ (4,479)	$ 239	$ (4,240)
Changes in assets and liabilities:						

Other assets	(1,011)	(1,871)	(2,882)	(3,814)	(897)	(4,711)
Accrued and other liabilities	7,587	1,638	9,225	2,181	658	2,839

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 on this evaluation, management concluded that our disclosure controls and procedures were not effective as of December 31, 2025 due to the material weakness in internal control over financial reporting described below.

Nevertheless, based on the performance of additional procedures by management designed to ensure reliability of financial reporting, management has concluded that, notwithstanding the material weaknesses described below, 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 Company as of the dates, and for the periods presented, in conformity with U.S. GAAP.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Exchange Act Rules 13a-15(f) and 15d-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 financial statements for external purposes in accordance with U.S. GAAP. Because of its inherent limitations, internal control over financial reporting might not prevent or detect misstatements.

Management, including our principal executive officer and principal financial officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2025, based on the criteria set forth in the Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on this evaluation, management concluded that as of December 31, 2025, our internal control over financial reporting was not effective due to material weaknesses in the Company's internal control over financial reporting as described below.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements would not be prevented or detected on a timely basis.

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.

Material Weaknesses in Internal Control over Financial Reporting

Management identified a material weakness in controls related to aspects of the Company's general accounting and financial reporting processes, design and maintenance of formal accounting policies, procedures, and controls to achieve complete, accurate, and timely financial accounting, reporting, and disclosures, including controls over the preparation and review of account reconciliations.

Management identified a material weakness related to controls over the accounting for leases, specifically the subsequent measurement and recording of lease transactions under ASC 842. The control deficiency resulted in errors in the measurement and presentation of right-of-use assets and lease liabilities, which required revision of previously issued financial statements. The Company did not maintain a sufficient complement of personnel possessing the appropriate technical accounting competency, training, and experience to address, review, and record financial reporting transactions under U.S. GAAP.

As a result of the material weaknesses described above, management concluded that the Company's internal control over financial reporting was not effective as of December 31, 2025.

Remediation Efforts

Management has begun implementing remediation measures to address the identified material weaknesses and strengthen the Company's internal control environment. These actions include:

- Enhancing controls over the review and approval of lease accounting, including subsequent measurement and periodic reassessment procedures;
- Improving documentation and precision of controls related to complex accounting areas;
- Engaging external accounting advisors to assist management in evaluating technical accounting matters, implementing enhanced controls, and providing additional support during the financial close and reporting process.

In addition to implementing and refining the above activities, we expect to engage in additional activities in fiscal year 2026 including:

- We will continue to evaluate the realignment of existing personnel and the addition of both internal and external resources to strengthen management's review and documentation over internal control over financial reporting. As needed, we intend to hire qualified resources with the requisite background and knowledge to assist with accounting and financial reporting.
- We will continue to assess the specific training needs for newly hired and existing personnel and intend to deliver additional training programs designed to uphold our internal control standards.
- We will continue to review our current processes, procedures and systems to identify opportunities to enhance the design of our financial reporting controls.
- We will continue to assess the design and maintenance of formal accounting policies, procedures, and controls to achieve complete, accurate, and timely financial accounting, reporting, and disclosures, including controls over the preparation and review of account reconciliations.
- We will continue to report regularly to the audit committee on the progress and results of the remediation plan, including the identification, status, and resolution of internal control material weaknesses and deficiencies.

Management believes these remediation efforts, when fully implemented and operating for a sufficient period of time, will remediate the identified material weaknesses. However, the material weaknesses will not be considered remediated until the enhanced controls have operated effectively for an adequate period of time and management has concluded, through testing, that the controls are operating effectively.

In addition, pursuant to our Compensation Clawback Policy, the Board of Directors will conduct an analysis of whether the revision to prior periods related to ROU assets and lease liabilities should result in the recovery of any "Erroneously Awarded Compensation" as that term is defined in the policy.

Changes in Internal Controls Over Financial Reporting

Other than the remediation efforts described above, there were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2025 that materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

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 2026 Annual Meeting of Stockholders on May 12, 2026.

Rule 10b5-1 Trading Arrangements

During the quarter ended December 31, 2025, 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

The information called for by Item 10 is incorporated herein by reference to the definitive Proxy Statement of the Company relating to the 2026 Annual Meeting of Stockholders (the "Definitive Proxy Statement"), which the Company intends to file within 120 days after the close of its fiscal year ended December 31, 2025.

Item 11. Executive Compensation

The information called for by Item 11 is incorporated herein by reference to the Definitive Proxy Statement referenced above in Item 10.

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

The information called for by Item 12 is incorporated herein by reference to the Definitive Proxy Statement referenced above in Item 10.

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

The information called for by Item 13 is incorporated herein by reference to the Definitive Proxy Statement referenced above in Item 10.

Item 14. Principal Accounting Fees and Services

The information called for by Item 14 is incorporated herein by reference to the Definitive Proxy Statement referenced above in Item 10.

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 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 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.

		Incorporated by Reference			
Exhibit	Description	Schedule/ Form	File Number	Exhibit	File Date
3.1	Amended and Restated Articles of Incorporation	10-Q	001-40973	3.1	05/02/25
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-K	001-40973	10.3	3/14/2025
10.5	Limited Guarantee, dated March 12, 2025	10-K	001-40973	10.4	3/14/2025
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†	Second Amended and Restated Employment Agreement between the Company and Dr. Rollins, dated January 3, 2023	8-K	001-40973	10.3	01/06/23
10.10†	Amended and Restated Employment Agreement between EBS Enterprises, LLC and Dennis Dean	10-Q	001-40973	10.1	12/03/21
10.11†	Employment Agreement between the Company and Yogesh Jashnani, dated December 6, 2024	8-K	001-40973	10.1	12/17/24
10.12†	RSU Award Grant Notice and Award Agreement between Airsculpt Technologies, Inc. and Yogesh Jashani	10-Q	001-40973	10.1	5/2/2025
10.13†	PSU Award Grant Notice and Award Agreement between Airsculpt Technologies, Inc. and Yogesh Jashani	10-Q	001-40973	10.2	5/2/2025
10.14	Employment Agreement between the Company and Michael Arthur, dated November 4, 2025	8-K	001-40973	10.1	11/7/2025
10.15†	Form of AirSculpt Technologies, Inc. RSU Award Grant Notice and Award Agreement (IPO Grants)	10-Q	001-40973	10.1	12/03/21
10.16†	Form of AirSculpt Technologies, Inc. PSU Award Grant Notice and Award Agreement (IPO Grants)	10-Q	001-40973	10.2	12/03/21
10.17†	Form of AirSculpt Technologies, Inc. 2021 RSU Award Grant Notice and Award Agreement	10-Q	001-40973	10.12	12/03/21
10.18†	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
10.19†	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
10.20†	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	10-K	001-40973	19.1	02/27/24
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: April 6, 2026

By: /s/ Michael Arthur
Michael Arthur
Chief Financial Officer
(Principal Financial and Accounting Officer)