Risk Factors Comparison 2024-02-27 to 2023-03-10 Form: 10-K

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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 **•** Macroeconomic trends including inflation and rising interest rates may adversely affect our financial condition and results of operations. ~~Macroeconomic trends, including increases~~ **• 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 ~~inflation~~ **recent years and have limited operating experience at our current scale of operations. • Our financial results will be harmed if there is not sufficient patient demand for AirSculpt ® procedures. • Our success depends largely upon patient satisfaction with the effectiveness of the AirSculpt ® procedure. • We may fail to open and operate new centers in a timely and cost- effective manner. • We may not be able to successfully continue to expand in markets outside of North America. • If our competitors are able to develop and market solutions that are safer, more effective, easier to use or more readily adopted by patients and healthcare providers, our commercial opportunities may be reduced or eliminated. • Increasing scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks. • Our business, financial condition and results of operations could be adversely affected by disruptions in the global economy resulting from the ongoing military conflict between Russia and Ukraine. • Use of social media may materially and adversely affect our reputation or subject us to fines or other penalties. • Our business relies heavily on email and other messaging services, and any restrictions on the sending of emails or messages or** ~~and~~ **an inability to timely deliver such communications could materially adversely affect our net revenue and business. • Changes in laws and regulations related to the internet, perceptions toward the use of social media and changes in internet infrastructure itself may diminish our ability to drive new customer acquisition. • Regulations related to healthcare may hamper our availability to provide virtual consultations. • We face competition for surgeons and other workers that provide our medspa and cosmetic services. • We outsource the manufacturing of key elements of the tools we use for AirSculpt ® procedures to a single third- party manufacturer, Euromi, who is dependent upon third- party suppliers. • In some jurisdictions, we are precluded or limited in our ability to enter into non- compete agreements with our surgeons. • Our centers and our affiliated Professional Associations may become subject to medical liability claims. • Our revenue could decline due to changes in credit markets and decisions made by credit providers. • We may be adversely affected if we lose any member of our senior management. • The interests of our Sponsor may conflict with the interests of the Company and its other stockholders. • Our leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and expose us to interest rate risk. • Restrictive covenants in our debt instruments may adversely affect us. • Any failure to meet our debt service obligations could have a material adverse effect on our business, prospects, results of operations and financial condition. • We are a holding company with no operations of our own. • Our variable rate debt exposes us to risks associated with** rising interest rates, **including as a result of the phase out of LIBOR, which could adversely affect our cash flows. • If there is a change in accounting standards by the Financial Accounting Standards Board or the interpretation thereof affecting consolidation of entities, it could have a material adverse effect on our consolidation of total revenue derived from the Professional Associations. • Our management team has limited experience managing a public company. • Our centers may be adversely impacted by weather and other factors beyond our control, and disruptions in our disaster recovery systems or management continuity planning could limit our ability to operate our business effectively. • Use and storage of paper medical records increases risk of loss, destruction and could increase human error with respect to documentation and patient care. • Our internal computer systems, or those of any of our manufacturers, other contractors, consultants, or collaborators, may fail or suffer security or data privacy breaches or other unauthorized or improper access to, use of, or destruction of our proprietary or confidential data, employee data, or personal data. • Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business or our patients, or prevent us from accessing critical information or systems and expose us to liability, and could adversely affect our business and our reputation. Risks Related to Intellectual Property • Our competitors could develop and commercialize procedures and products similar or identical to ours. • We may become a party to intellectual property litigation or administrative proceedings that could be costly and could interfere with our ability to market and perform our services. • If we are unable to protect the confidentiality of our other proprietary information, our business and competitive position may be harmed. • We may not be able to protect our intellectual property rights throughout the world to the same extent as in the United States.**

Risks Related to Government Regulations • If we fail to comply with numerous laws and regulations relating to the operation of our centers, we could incur significant penalties or other costs or be required to make significant changes to our operations. • AirSculpt ® procedures may cause or contribute to adverse medical events that we are required to report to the FDA and if we fail to do so, we could be subject to sanctions that would materially harm our business. • If laws governing the corporate practice of medicine or fee- splitting change, we may be required to restructure some of our relationships. • We may be subject to various federal and state laws pertaining to healthcare fraud and abuse, including anti- kickback, self- referral, false claims and fraud laws, and any violations by us of such laws could result in fines or other penalties. • We are subject to numerous environmental, health and safety laws and regulations, and must maintain licenses or permits, and non- compliance with these laws, regulations, licenses, or permits may expose us to significant costs or liabilities. • Certain risks are inherent in providing prescription and over the counter (" OTC ") treatments, and our insurance may not be adequate to cover any claims against us. • We are subject to rapidly changing and increasingly stringent laws, regulations, industry standards, and other obligations relating to privacy, data protection, and data security. The restrictions and costs imposed by these requirements, or our actual or perceived failure to comply with them, could materially harm our business. Risks Related to Ownership of Our Common Stock • We are an " emerging growth company, " and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors. • Our stock price could be extremely volatile, and, as a result, you may not be able to resell your shares at or above the price you paid for them. • There may be sales of a substantial amount of our common stock by our current stockholders, and these sales could cause the price of our common stock to fall. • Certain of our directors and executive officers hold a substantial portion of our common stock, which may lead to conflicts of interest with other stockholders over corporate transactions and other corporate matters. • Provisions in our charter documents and Delaware law may deter takeover efforts that could be beneficial to stockholder value. • We have no plans to pay cash dividends on our common stock for the foreseeable future. • Our internal controls may not be effective. • The requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business. • Our stock price and trading volume could decline if securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business. • We may be subject to securities litigation, which is expensive and could divert management attention. Macroeconomic trends, including increases in inflation and rising interest rates, may adversely impact our business, financial condition and results of operations ~~. Inflation in the United States has recently accelerated and is currently expected to continue at an elevated level in the near- term~~ . Rising inflation could have an adverse impact on our operating expenses and our credit facilities ~~.~~ **and** ~~There~~ **there** is no guarantee **that** we ~~will~~ **would** be able to mitigate ~~the~~ **its** impact ~~of rising inflation. The Federal Reserve has recently started raising interest rates to combat inflation and restore price stability and it is expected that rates will continue to rise throughout the remainder of 2023~~ . Increases in interest rates on any of our debt will result in higher debt service costs, which will adversely affect our cash flows. We cannot assure you that our access to capital and other sources of funding will not become constrained, which could adversely affect the availability and terms of future borrowings. Such future constraints could increase our borrowing costs, which would make it more difficult or expensive to obtain additional financing or refinance existing obligations and commitments, which could slow or deter future growth. We have a limited operating history and our past results may not be indicative of our future performance. Further, our revenue growth rate is likely to slow as our business and our market matures. We began operations in 2012. We have a limited history of generating revenue. As a result, our historical revenue growth should not be considered indicative of our future performance. In particular, we have experienced periods of high revenue growth, including most recently, during the global pandemic, that we do not expect to continue as the business, and the body contouring market, matures. Estimates of future revenue growth and future growth rates are subject to many risks and uncertainties and our future revenue may differ materially from our projections. We have encountered, and will continue to encounter, risks and difficulties frequently experienced by growing companies in rapidly changing industries, including market acceptance of our procedures, attracting new patients, hiring surgeons and responding to increasing competition and expenses as we expand our business. We cannot be sure that we will be successful in addressing these and other challenges we may face in the future, and our business may be adversely affected if we do not manage these risks ~~. Our success depends on our ability to maintain the value and reputation of the AirSculpt ® brand~~ . We believe that our brand is important to attracting patients and high- quality surgeons. Maintaining, protecting, and enhancing our brand depends largely on our ability to deliver results for our patients and the success of our marketing efforts. We believe that the importance of our brand will increase as competition further intensifies. Our brand could be harmed if we fail to achieve these objectives or if our public image were to be tarnished by negative publicity. Unfavorable publicity about us, including our procedures and technology, could diminish confidence in the AirSculpt ® brand. Such negative publicity also could have an adverse effect on our business, financial condition, and operating results. We have grown rapidly in recent years and have limited operating experience at our current scale of operations. If we are unable to manage our growth 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 growth, we must continue to expand our marketing, focus on innovation and upgrade our management information systems and other processes. Our continued 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, results- driven culture during this period of growth could harm our future success. If we do not adapt to meet these evolving challenges or if our management team does not effectively scale with our growth, we may experience erosion to our brand and our company culture may be harmed. Our growth strategy contemplates expanding our footprint by opening new centers around the world. Many of our centers are relatively new and we cannot assure you that these

centers or that future centers will generate revenue comparable with those generated by our more mature locations, especially as we move to new geographic markets. Further, many of our centers are leased pursuant to multi- year leases, and our ability to negotiate favorable terms on an expiring lease or for a lease renewal option may depend on factors that are not within our control. Expanding internationally will require significant additional investment. Successful implementation of our growth strategy will require significant expenditures before any substantial associated revenue is generated and we cannot guarantee that these increased investments will result in corresponding and offsetting revenue growth. Our planned expansion will 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 may 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 may reduce or adversely affect the number or location of centers we plan to open, and could thereby materially and adversely affect our 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 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 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 open and operate new centers in a timely and cost- effective manner or fail to successfully enter new markets, our financial performance could be materially and adversely affected. Our growth strategy depends, in large part, on growing and expanding our operations, both in existing and new geographic regions, particularly in densely populated and affluent metropolitan and suburban regions, and operating our new centers successfully. We cannot assure you that our contemplated expansion will be successful. Our ability to successfully open and 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; • negotiate acceptable lease terms at suitable locations; • source sufficient levels of medical supplies at acceptable costs; • obtain and maintain necessary permits and licenses through our affiliated Professional Associations; • construct and open our centers on a timely basis; • 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 successfully open and operate new centers in a timely and 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. Our plans to accelerate the growth of new centers may increase this risk. 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 open and operate new centers in the time frames and 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 results- driven 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, results- driven culture. As we continue to grow, including geographically, we will need to maintain our high-performance, results- driven culture among a larger number of surgeons and other employees, dispersed across various geographic regions. Any failure to preserve our culture could negatively affect our future success, including our ability to retain and recruit surgeons and other personnel on behalf of our affiliated Professional Associations and to effectively focus on and pursue our corporate objectives. To successfully continue to expand in markets outside of North America, we must address many issues with which we have limited experience. Continued international expansion is subject to a number of risks, including: • difficulties in staffing and managing our international operations; • increased competition as a result of more procedures receiving regulatory approval or otherwise freedom to market in international markets; • reduced or varied protection for intellectual property rights in some countries; • foreign tax laws; • fluctuations in currency exchange rates; • foreign certification and regulatory clearance or approval requirements; • difficulties in developing effective marketing campaigns in unfamiliar foreign countries; • geopolitical events (such as Russian invasion of Ukraine), social and economic instability abroad, terrorist attacks, and security concerns in general; • potentially adverse tax consequences, including the complexities of foreign value- added tax systems, tax inefficiencies related to our corporate structure, and restrictions on the repatriation of earnings; • the burdens of complying with a wide variety of foreign laws and different legal standards; and • increased financial accounting and reporting burdens and complexities. If one or more of these risks were realized, it could require us to dedicate significant financial and management resources and our revenue may decline. ~~Our inability~~ **The market in which we operate is highly competitive. In addition** to ~~effectively~~ **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** ~~may prevent us from achieving significant~~ market ~~penetration or improving~~ **solutions that are safer, more effective, easier to use** ~~our~~ **or** ~~operating results~~ **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 ~~and~~ **,** 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 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 ~~services~~ **procedures** (including competitors who may charge less for such ~~services~~ **procedures** than we do) and others ~~also~~ offer alternative ~~services~~ **procedures and products, including non- surgical weight loss and obesity solutions,** that are less expensive than the procedures we offer. **Smaller or early- stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. We have significant exposure to the weight loss and obesity solutions market, which is highly competitive, subject to rapid change and significantly affected by new product introductions, results of clinical research, corporate combinations, and other factors relating to the weight loss industry. Because of the market opportunity and the high growth potential of the market for weight loss and obesity solutions, existing and potential competitors have historically dedicated, and will continue to dedicate, significant resources to aggressively develop and commercialize their products. For example, in 2023, certain drugs initially approved for use in diabetes patients gained market acceptance for use in weight loss following FDA approvals for weight loss indications. As of the date of this report, it is difficult to predict the long- term market impact of weight- loss drugs, including their long- term efficacy and potential drawbacks. As a result, we cannot be certain that our procedures will continue to be competitive with current or future medical advances in the weight loss and obesity solutions market. 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 ~~limited~~ **reduced** market share, any of which would harm our business, financial condition, and results of operations ~~. Increasing scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks~~ . Companies are facing increasing scrutiny from customers, regulators, investors, and other stakeholders related to their environmental, social and governance (" ESG ") practices and disclosure. Investor advocacy groups, investment funds and influential investors are also increasingly focused on these practices, especially as they relate to the environment, health and safety, diversity, labor conditions and human rights. Increased ESG related compliance costs could result in increases to our overall operational costs. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards could negatively impact our reputation, ability to do business with certain partners, and our stock price. New government regulations could also result in new or more stringent forms of ESG oversight and expanding mandatory and voluntary reporting, diligence, and disclosure ~~. Our business, financial condition and results of operations could be adversely affected by disruptions in the global economy resulting from the ongoing military conflict between Russia and Ukraine~~ . The global economy has been negatively impacted by increasing tension, uncertainty and tragedy resulting from ongoing military conflict between Russia and Ukraine. The adverse and uncertain economic conditions resulting therefrom have and may further negatively impact global demand, cause supply chain disruptions and increase costs for transportation, energy and other raw materials. Furthermore, governments in the United States, the European Union, the United Kingdom, Canada and others have imposed financial and economic sanctions on certain industry segments and various parties in Russia and Belarus. We are monitoring the conflict including the potential impact of financial and economic sanctions on the global economy. Increased trade barriers, sanctions and other restrictions on global or regional trade could adversely affect our business, financial condition and results of operations. The length and impact of the ongoing military conflict is highly unpredictable, and resulted in market disruptions, including significant volatility in commodity prices, credit and capital markets, an increase in cyber security incidents as well as supply chain disruptions. Further escalation of geopolitical tensions related to this military conflict and / or its expansion could result in increased volatility and disruption to the global economy and the markets in which we operate adversely impacting our business, financial condition or results of operations ~~. Use of social media may materially and adversely affect our reputation or subject us to fines or other penalties~~ . We use third- party social media platforms as marketing tools. For example, we maintain Facebook, Instagram and YouTube accounts and we offer consumers the opportunity to comment on our social media platforms. Negative commentary or false statements may be posted on our social media platforms, which could be adverse to our reputation or business. Our target consumers often value readily available information and often act on such information without further investigation and without regard to its accuracy. The harm may be immediate without affording us an opportunity for redress or correction. As social media platforms continue to rapidly evolve, we must continue to maintain a presence on these platforms and establish presences on new or emerging popular social media platforms. If we are unable to cost- effectively use social media platforms as marketing tools, our ability to acquire new consumers and our financial condition may suffer. Furthermore, as laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by the Company, our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of these platforms and devices could subject us to regulatory investigations, class action lawsuits, liability, fines or other penalties and have a material adverse effect on our business, financial condition and result of operations. In addition, an increase in the use of social media for marketing may cause an increase in the burden on us to monitor compliance of such materials and increase the risk that such materials could contain problematic marketing claims in violation of applicable regulations. Our business ~~relies heavily on email and other messaging services, and any restrictions on the sending of emails or messages or an inability to timely deliver such communications could materially adversely affect our net revenue and business. Our business~~ depends on email and other messaging services for promoting our brand and services. If we are unable to successfully deliver emails or other messages to potential customers, or if potential customers decline to open or read our messages, our business, financial condition and results of operations may be materially adversely affected. Changes in how web and mail services block, organize and prioritize email may reduce the number of subscribers who receive or open our emails. For example, Google' s Gmail service has a feature that organizes incoming emails into categories (for example, primary, social and promotions). Such categorization or similar inbox organizational features may result in our emails being delivered in a less prominent location in a subscriber' s inbox or viewed as " spam " by our subscribers and may reduce the likelihood of that subscriber reading our emails. Actions by third parties to block, impose restrictions on or charge for the delivery of emails or other messages could also adversely impact our business. From time to time, Internet service providers or other third parties may block bulk email transmissions or otherwise experience technical difficulties that result in our inability to successfully deliver emails or other messages to consumers. Changes in the laws or regulations that limit our ability to send such communications or impose additional requirements upon us in connection with sending such communications would also materially adversely impact our business. Our use of email and other messaging services to send communications to consumers may also result in legal claims, which may cause increased expenses, and if successful might result in fines and orders with costly reporting and compliance obligations or might limit or prohibit our ability to send emails or other messages. We also rely on social networking messaging services to send communications and to encourage consumers to send communications. Changes to the terms of these social networking services to limit promotional communications, any restrictions that would limit our ability or our consumers' ability to send communications through their services, disruptions or downtime experienced by these social networking services or decline in the use of or engagement with social networking services by consumers could materially and adversely affect our business, financial condition and results of operations. Changes in laws and regulations related to the internet, perceptions toward the use of social media and changes in internet infrastructure itself may diminish our ability to drive new customer acquisition and could adversely affect our business

and results of operations. The success of our business depends upon the continued use of the internet and social media networks. Federal, state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. In addition, government agencies or private organizations have imposed and may impose additional taxes, fees or other charges for accessing the internet, generally. These laws, taxes, fees or charges could limit the use of the internet or decrease the demand for internet- based solutions. The public' s increasing concerns about data privacy and security and the use of social media may negatively affect the use or popularity of social media networks, and, in turn, adversely affect our business. Similarly, enhanced scrutiny may lead to an increase in regulation of social media, which could limit our ability to use social media to drive our brand awareness and increase consumer acceptance for our procedures. In addition, the use of the internet as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease- of- use, accessibility and quality of service. The performance of the internet and its acceptance as a business tool have been adversely affected by " viruses, " " worms " and similar malicious programs, as well as the risks associated with other types of security breaches. If the use of the internet is reduced as a result of these or other issues, then the reduction in marketing and networking with respect to our services and patients could result in a decline in demand for the AirSculpt ® procedure, which could adversely affect our revenue, business, results of operations and financial condition. Regulations related to ~~health~~ **healthcare** ~~care~~ , 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 ~~effected~~ **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, ~~2022~~ **2023** , we employed approximately ~~291~~ **346** full- time employees and approximately ~~11~~ **35** 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 has increased significantly as a result of the COVID- 19 pandemic. 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. 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 have not qualified alternate

suppliers and rely upon purchase orders, rather than long- term supply agreements. A supply interruption or an increase in demand beyond Euromi' s capabilities could harm our ability to perform AirSculpt ® procedures until new sources of supply are identified and qualified. Our reliance on a single supplier of handpieces subjects us to a number of risks that could harm our business, including: • interruption of supply resulting from modifications to or discontinuation of Euromi' s operations; • delays in product shipments resulting from uncorrected defects, reliability issues, or Euromi' s variation in a component; • a lack of long- term supply agreements; • inability to obtain adequate supply in a timely manner or to obtain adequate supply on commercially reasonable terms; • difficulty and cost associated with locating and qualifying alternative suppliers for our handpieces in a timely manner; • production delays related to the evaluation and testing of handpieces from alternative suppliers and corresponding regulatory qualifications; and • damage to our brand reputation caused by defective handpieces. Moreover, **during** the **past several years, macroeconomic and geopolitical conditions, as well as outbreaks of** COVID- 19 **,** ~~pandemic and new COVID- 19 variants~~ 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 former 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. Currently, our affiliated Professional Associations maintain professional and general liability insurance that provides coverage on a claims- made basis of $ 2. 0 million per occurrence with a retention of $ 25, 000 per occurrence and $ 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. Our results of 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 twenty- two centers in Arizona, California, Colorado, Florida, Georgia, Illinois, Massachusetts, Minnesota, Nevada, New York, North Carolina, Pennsylvania, Tennessee, Texas, Utah, Washington, and Virginia as well as Toronto, Canada. In addition, our centers located in California represented 20 % of our revenue in **2023 and** 2022 ~~and 24 % of our revenue in 2021~~ . If there were an adverse regulatory, economic or other development in any of the states and jurisdictions in which we have a higher concentration of centers there could be unanticipated adverse impacts on our business in those states and jurisdictions, which could have a material adverse effect on our business, prospects, results of operations and financial condition. We depend on our senior management, and we may be adversely affected if we lose any member of our senior management. Because our senior management has been key to our growth and success, we are highly dependent on Dr. Aaron Rollins, our founder and Executive Chairman of our board of directors. We do not maintain " key man " life insurance policies on any of our officers. Competition for senior management generally, and within the cosmetic surgery and healthcare industry specifically, is intense and we may not be able to recruit and retain the personnel we need if we were to lose an existing member of senior management. Because our senior management has contributed greatly to our growth since inception, 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 (" Sponsor ") and the interests of our Sponsor may conflict with the interests of the Company and its other stockholders. We have in recent years depended on our relationship with our Sponsor to help guide our business plan. Our Sponsor has significant expertise in financial matters. This expertise was available to us through the representatives our Sponsor has on our board of directors and as a result of our management agreement with an affiliate of our Sponsor (the" Management Agreement"). In connection with the completion of our IPO, the Management Agreement terminated. Daniel Sollof and Adam Feinstein remain on our board of directors and hold contractual rights to seats on our board of directors for as long as our Sponsor maintains certain levels of ownership of our common stock. Currently, affiliates of our Sponsor beneficially own ~~52~~ **51** . ~~2~~ **1** % of our common stock. Affiliates of our Sponsor may elect to reduce their ownership in our Company, which could reduce or eliminate the benefits we have historically achieved through our relationship with it. Additionally, our Sponsor is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Our Sponsor may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. So long as investment funds associated with or designated by our Sponsor continue to indirectly own a significant amount of our capital stock, even if such amount is less than a majority of our outstanding common stock on a fully- diluted basis, our Sponsor will continue to be able to strongly influence or effectively control our decisions. Our leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry, expose us to interest rate risk to the extent of our variable rate debt and prevent us from meeting our obligations under our outstanding indebtedness. As of December 31, ~~2022~~ **2023** , total outstanding indebtedness under our senior credit facility was approximately $ ~~85~~ **72** . ~~0~~ **9** million, consisting of $ ~~85~~ **72** . ~~0~~ **9** million in ~~senior secured~~ term loans (the " Term Loan ") and $ 5. 0 million revolving credit facility (the " Revolver "), of which approximately $ 5. 0 million was undrawn (the " Term Loan and Revolving 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. ~~Restrictive covenants in our debt instruments may adversely affect us.~~ Our Term Loan and Revolving Facility 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 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 Facility. Upon the occurrence of an event of default under our Term Loan and Revolving Facility, the lenders could elect to declare all amounts outstanding under our Term Loan and Revolving 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 Facility. If the lenders under our Term Loan and Revolving Facility accelerate the repayment of borrowings, we cannot assure you that we will have sufficient assets to repay our Term Loan and Revolving Facility and our other indebtedness. We cannot assure you that our business will generate sufficient cash flow from operations, that currently anticipated revenue growth and operating improvements will be realized or that future borrowings will be available to us under our Term Loan and Revolving 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 substantially more debt, which could further exacerbate the risks associated with our substantial leverage. We and our subsidiaries may be able to incur substantial additional indebtedness in the future, including secured indebtedness. Although the Term Loan and Revolving Facility 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, ~~2022~~ **2023** we had approximately $ 5. 0 million available for additional borrowings under our Revolver, all of which is permitted to be incurred under the Term Loan and Revolving Facility subject to the conditions to borrowing thereunder. 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 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, including as a result of the phase out of LIBOR, which could adversely affect our cash flows. As of December 31, ~~2022~~ **2023** , we had borrowings under our Term Loan and Revolving 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. The applicable per annum margin is 2. 0 % or 3. 0 % for base rate or SOFR, respectively, if the Company' s total leverage ratio is equal to or greater than 2. 0x. If the Company' s total leverage ratio is equal to or greater than 1. 0x and less than 2. 0x, the applicable per annum margin of 1. 5 % or 2. 5 % for base rate or SOFR, respectively. If the Company' s total leverage ratio is below 1. 0x, the applicable per annum margin is 1. 0 % or 2. 0 % for base rate or SOFR, respectively. There is significant uncertainty with respect to the implementation of the phase out of the LIBOR and what alternative indexes will be adopted which will ultimately be determined by the market as a whole. It therefore remains uncertain how such changes will be implemented and the effects such changes would have on us and the financial markets generally. These changes may have a material adverse impact on the availability of financing and on our financing costs. Also, 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. 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 ~~with respect to~~ **may affect us, and certain aspects of** the Tax Cuts and Jobs Act **or** ~~may affect us, and certain aspects of the~~ **other** ~~Tax Cuts and Jobs Act~~ **U. S. tax laws** could be repealed or modified in future legislation ~~. For instance, the Coronavirus Aid, Relief, and Economic Security Act enacted in 2020 (the " CARES Act ") modified certain provisions of the Tax Cuts and Jobs Act~~ . In addition, it is uncertain if and to what extent various states will conform to ~~the Tax Cuts and Jobs Act, the CARES Act, or~~ any newly enacted federal tax legislation. Proposals to change U. S. or foreign tax laws could have an adverse impact on our effective tax rate, income tax expense, and financial performance. For example, the U. S. Congress, the Organization for Economic Cooperation and Development (" OECD "), and other government agencies are considering various proposals that may affect the taxation of multinational corporations. Although we cannot predict whether or in what form these proposals may pass, changes in corporate tax rates, the realization of net deferred tax assets relating to our operations, the taxation of foreign earnings, or other changes could have a material impact on the value of our deferred tax assets, could result in significant one- time charges, or could increase our future tax expense. In addition, we may be subject to audits of our income, sales and other transaction taxes by U. S. federal, state, local and foreign authorities. We regularly assess the likelihood of an adverse outcome resulting from such an examination to determine the adequacy of our provision for income taxes. Outcomes from these examinations and audits could have an adverse effect on our financial condition and results of operations. ~~If there is a change in accounting standards by the Financial Accounting Standards Board or the interpretation thereof affecting consolidation of entities, it could have a material adverse effect on our consolidation of total revenue derived from the Professional Associations.~~ Our financial statements are consolidated in accordance with applicable accounting standards and include the accounts of our subsidiaries and the Professional Associations, which we manage under the MSAs but are not owned by us. Such consolidation for accounting and / or tax purposes does not, is not intended to, and should not be deemed to, imply or provide us any control over the medical or clinical affairs of our affiliated Professional Associations. In the event a change in accounting standards promulgated by FASB or in interpretation of its standards, or if there is an adverse determination by a regulatory agency or a court, or a change in state or federal law relating to the ability to maintain present agreements or arrangements with our affiliated Professional Associations, we may not be permitted to continue to consolidate the total revenue of such practices. ~~Our management team has limited experience managing a public company.~~ Most members of our management team have limited experience managing a publicly traded company, interacting with public company investors, and complying with the increasingly complex laws pertaining to public companies. We are subject to significant regulatory oversight and reporting obligations under the federal securities laws, Nasdaq Stock Market, and the continuous scrutiny of securities analysts and investors. These obligations and constituents require significant attention from our senior management and could divert their attention away from the day- to- day management of our business, which could adversely affect our business, financial condition, and operating results. ~~The~~ **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 ~~global pandemic~~ **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 ~~negatively~~ **be adversely** ~~affect~~ **affected . If any of our centers were involved,** ~~our~~ **or** ~~operations~~ **perceived to be involved** , ~~business and financial condition~~ **in treating patients with a highly contagious disease** , ~~and our~~ **or** ~~liquidity~~ **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 ~~be negatively impacted if the United States economy remains unstable for a significant amount of time. The COVID- 19 crisis is still evolving and much of its impact remains unknown and difficult to predict. It could potentially negatively impact our financial performance in 2023 and beyond. We are uncertain of the full effect COVID- 19 will have on our business for the longer term since the scope and duration of the pandemic is unknown, and evolving factors will impact the stability of economic recovery and growth. While the COVID- 19 pandemic recently appeared~~

~~to be trending downward, new variants of COVID- 19 continue to emerge and spread throughout the U. S. and globally. The global economy, our employees, patients, centers, communities, and business operations have been, and may continue to be, significantly affected by the COVID- 19 pandemic and new variants. As new variants continue to emerge, the full extent to which the COVID- 19 pandemic will impact our business, results~~ **result in** ~~of operations, financial condition and liquidity will depend on future developments that are highly uncertain and cannot be accurately predicted. Broad economic factors resulting from the current COVID- 19 pandemic, including increasing unemployment rates and~~ reduced ~~consumer spending, could also negatively affect our~~ patient volumes ~~, Business closings~~ and ~~layoffs in the areas in which we operate~~ **operating revenue** ~~may adversely affect demand for our services~~ , **potentially over** ~~as well as the ability of patients to pay for services as rendered. If general economic conditions deteriorate or remain uncertain or diminished for~~ an extended period ~~of time~~ **. Further** , **a pandemic, epidemic** ~~our~~ **or** ~~liquidity~~ **outbreak of** ~~and~~ **an** ~~ability to repay~~ **infectious disease might adversely impact our business by causing temporary shutdowns of our centers** ~~our~~ **or** ~~outstanding debt~~ **diversion of patients or by causing staffing shortages in our centers. We** may be ~~harmed~~ **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' ~~health~~ **healthcare** ~~care~~ system, which, if adopted, could result in direct or indirect restrictions to our business, financial condition, results of operations and cash flow ~~. The foregoing potential disruptions to our business as a result of the COVID- 19 pandemic (including the potential resurgences of COVID- 19 and the emergence of new variants of COVID- 19) may have a material adverse effect on our business and could have a material adverse effect on our results of operations, financial condition, cash flows and our ability to service our indebtedness. 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~~ . 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 ~~crisis~~ **crises** ~~will~~ **could** impact our business is difficult to predict and ~~will depend~~ **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 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 ~~and to leverage fears promulgated by the COVID- 19 pandemic~~ . 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 related to our proprietary procedures and any products that we may develop that are important to our business. The patent prosecution process is expensive, time- consuming and complex, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patents or patent applications at a reasonable cost, in a timely manner, in all jurisdictions where protection may be commercially advantageous, or at all. It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Although we enter into non- disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, consultants, contractors, collaborators, vendors and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. In addition, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications or that we were the first to file for patent protection of such inventions. Changes in either the patent laws or their interpretation in the United States and other countries may diminish our ability to protect our inventions, obtain, maintain, and enforce our patent rights and, more generally, could affect the value of our patents or narrow the scope of our patents. For example, patent reform legislation may pass in the future that could lead to additional uncertainties and increased costs surrounding the prosecution, enforcement and defense of our patents and applications. Furthermore, the U. S. Supreme Court and the U. S. Court of Appeals for the Federal Circuit have made, and will likely continue to make, changes in how the patent laws of the United States are interpreted. Similarly, foreign courts have made, and will likely continue to make, changes in how the patent laws in their respective jurisdictions are interpreted. We cannot predict whether the patent applications we pursue will issue as patents or whether the claims of any issued patents will provide sufficient protection from competitors. The coverage claimed in a patent application can be significantly reduced before a patent is issued, and its scope can be reinterpreted after issuance. Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Additionally, our competitors or other third parties may be able to circumvent our patents by developing similar or alternative non- infringing technologies, or procedures. Our patent protection is currently limited to the United States and does not afford us protection in other countries in which we are opening new centers. These new centers may therefore face more direct competition, which may reduce the profitability of our centers outside the United States. Third parties may also have blocking patents that could prevent us from marketing our procedures and practicing our technology. Alternatively, third parties may seek approval to market their own procedures similar to or otherwise competitive with our procedures. In these circumstances, we may need to defend and / or assert our patents, including by filing lawsuits alleging patent infringement. In any of these types of proceedings, a court or agency with jurisdiction may find our patents invalid, unenforceable or not infringed, in which case, our competitors and other third parties may then be able to market procedures that are substantially similar to ours. Even if we have valid and enforceable patents, these patents still may not provide protection against competing procedures or technologies sufficient to achieve our business objectives. Competitors may also contest our patents, if issued, by showing the patent examiner that the invention was not original, was not novel or was obvious. In litigation, a competitor could claim that our patents, if issued, are not valid for a number of reasons. If a court agrees, we would lose our rights to those challenged patents. The United States Patent and Trademark Office (USPTO) and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. In addition, periodic maintenance fees, renewal fees, annuity fees and various other government fees on issued patents and patent applications will be due to the USPTO and foreign patent agencies over the lifetime of our patents and applications. While an unintentional lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non- compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non- payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our products, we may not be able to stop a competitor from marketing products that are the same as or similar to our products, which could have a material adverse effect on our business, financial condition and results of operations. We may become a party to intellectual property litigation or administrative proceedings or other intellectual property challenges that could be costly and could interfere with our ability to market and perform our services. The cosmetic treatment procedure industry has been characterized by extensive intellectual property litigation, and companies in the industry have used intellectual property litigation to gain a competitive advantage. It is possible that United States and foreign patents and pending patent applications or trademarks of third parties may be alleged to cover our technology or our procedures, or that we may be accused of misappropriating third parties' trade secrets. Additionally, our equipment includes components that we purchase from vendors and may include design components that are outside of our direct control. Our competitors, many of which have substantially greater resources and have made substantial investments in patent portfolios, trade secrets, trademarks and competing technologies, may have applied for or obtained, or may in the future apply for or obtain, patents or trademarks that will prevent, limit or otherwise interfere with our ability to make, use, sell and / or export our technology and procedures or to use our proprietary names. Because patent applications can take years to issue and are often afforded confidentiality for some period of time, there is a risk we may develop one or more procedures or other technologies without knowledge of a pending patent application, which if such patent application issued into a patent would result in our procedures or technologies infringing such patent. From time to time, we may receive threatening letters, notices or " invitations to license, " or may be the subject of

claims that our procedures, technology, brands, proprietary names and marks, and / or business operations infringe or violate the intellectual property rights of others. Moreover, in recent years, individuals and groups that are non- practicing entities, commonly referred to as " patent trolls, " have purchased patents and other intellectual property assets for the purpose of making claims of infringement in order to extract settlements. The defense of any of these matters, even claims without merit, can be time consuming, divert management' s attention and resources, damage our reputation and brand and cause us to incur significant expenses, and if we settle any such claims, we may agree to make substantial payments or to redesign or cease making or using our challenged procedures or technology or to cease using our brands or proprietary names and marks. Vendors from whom we purchase hardware or software may not indemnify us in the event that such hardware or software is accused of infringing or misappropriating a third party' s intellectual property rights, or any indemnification granted by such vendors may not be sufficient to address any liability and costs we incur as a result of such claims. Additionally, we may be obligated to indemnify our business partners in connection with intellectual property litigation, which could further exhaust our resources. Even if we believe a third party' s intellectual property claims are without merit, there is no assurance that a court would find in our favor, including on questions of infringement, validity, enforceability or priority of patents. The strength of our defenses relating to patent claims will depend on the patents asserted, the interpretation of these patents, and our ability to invalidate the asserted patents. A court of competent jurisdiction could hold that these third- party patents are valid and enforceable and have been infringed by us, which could materially and adversely affect our ability to commercialize any procedures or technology we may develop and any other procedures or technologies covered by the asserted third- party patents. In order to successfully challenge the validity of any such U. S. patent in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U. S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U. S. patent. Conversely, the patent owner need only prove infringement by a preponderance of the evidence, which is a lower burden of proof. Further, any successful claims of intellectual property infringement or misappropriation against us may harm our business and result in injunctions preventing us from developing, manufacturing, using or selling our technology or procedures, or result in obligations to pay license fees, damages, attorney fees and court costs, which could be significant. In addition, if we are found to willfully infringe third- party patents or trademarks or to have misappropriated trade secrets, we could be required to pay treble damages in addition to other penalties. Even if any intellectual property disputes are settled through licensing or similar arrangements, costs associated with such arrangements may be substantial and could include ongoing royalties. We may be unable to obtain necessary licenses on satisfactory terms, if at all. In addition, if any license we obtain is non- exclusive, we may not be able to prevent our competitors and other third parties from using the intellectual property or technology covered by such license to compete with us. If we do not obtain necessary licenses, we may not be able to alter our procedures or redesign our equipment to avoid infringement. Any of these events could materially and adversely affect our business, financial condition and results of operations. Similarly, interference or derivation proceedings provoked by third parties or brought by the USPTO may be necessary to determine priority with respect to our patents, patent applications, trademarks or trademark applications. We may also become involved in other proceedings, such as reexamination, inter partes review, derivation, cancellation or opposition proceedings before the USPTO or other jurisdictional body relating to our intellectual property rights or the intellectual property rights of others. Adverse determinations in a judicial or administrative proceeding or failure to obtain necessary licenses could prevent us from using or selling our procedures or technology or using proprietary names, which would have a significant adverse impact on our business, financial condition and results of operations. Additionally, we may file lawsuits or initiate other proceedings to protect or enforce our patents, or other intellectual property rights and contractual restrictive covenants with our surgeons not to use the procedure outside of our centers, each of which could be expensive, time consuming and unsuccessful. Competitors may infringe our issued patents or other intellectual property, which we may not always be able to detect. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property or alleging that our intellectual property is invalid or unenforceable. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness or non- enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO, or made a misleading statement, during prosecution. Third parties may raise challenges to the validity of certain of our existing and future patent claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re- examination, post- grant review, inter partes review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e. g., opposition proceedings). In any such lawsuit or other proceedings, a court or other administrative body may decide that a patent of ours is invalid or unenforceable, in whole or in part, construe the patent' s claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. The outcome following legal assertions of invalidity and unenforceability is unpredictable. If a third party were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our procedures, equipment, and other technologies (including those then under development). If our patents are found to be valid and infringed by a third party, a court may refuse to grant injunctive relief against the infringer and instead grant us monetary damages and / or ongoing royalties. Such monetary compensation may be insufficient to adequately offset the damage to our business caused by the infringer' s competition in the market. Any of these events could materially and adversely affect our business, financial condition and results of operations. Even if resolved in our favor, litigation or other proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources

available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential or sensitive information could be compromised by disclosure in the event of litigation. Uncertainties resulting from the initiation and continuation of intellectual property litigation or other proceedings could have a material adverse effect on our business, financial condition and results of operations. If we are unable to protect our other proprietary rights, our business and competitive position may be harmed. In addition to patent protection, we also rely on other proprietary rights that we seek to protect, including trade secrets, and other proprietary information that is not patentable or that we elect not to patent. However, trade secrets can be difficult to protect. To maintain the confidentiality of our trade secrets and proprietary information, we rely heavily on confidentiality provisions that we have in contracts with our employees, consultants, contractors, collaborators and others upon the commencement of their relationship with us. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes. We may not be able to prevent the unauthorized disclosure or use of our technical knowledge or other trade secrets by such third parties, despite the existence generally of these confidentiality restrictions. These contracts may not provide meaningful protection for our trade secrets, know- how or other proprietary information in the event of any unauthorized use, misappropriation or disclosure of such trade secrets, know- how or other proprietary information. There can be no assurance that such third parties will not breach their agreements with us, that we will have adequate remedies for any breach, or that our trade secrets, know- how and other proprietary information will not otherwise become known. Despite the protections we do place on our intellectual property or other proprietary rights, monitoring unauthorized use and disclosure of our intellectual property is difficult, and we do not know whether the steps we have taken to protect our intellectual property or other proprietary rights will be adequate. Enforcing a claim that a party disclosed proprietary information in an unauthorized manner or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, we may in the future also be subject to claims by our former employees, surgeons, consultants or contractors asserting an ownership right in our intellectual property rights as a result of the work they performed on our behalf. Although it is our policy to require all of our employees, consultants, contractors and any other partners or collaborators who may be involved in the conception or development of intellectual property for us to execute agreements assigning such intellectual property to us, we cannot be certain that we have executed such agreements with all parties who may have contributed to the development of our intellectual property, that the assignment of intellectual property rights under our agreements that have been executed with such parties will be self- executing, or that our agreements with such parties will be upheld in the face of a potential challenge. Such agreements could also potentially be breached in a manner for which we may not have an adequate remedy. As a result, we may lose valuable intellectual property rights, such as exclusive ownership of, and / or right to use, intellectual property that is important to our business. Any such events could have a material adverse effect on our business, financial condition and results of operations. To the extent our intellectual property or other proprietary information protection is inadequate, we are exposed to a greater risk of direct competition. A third party could, without authorization, copy or otherwise obtain and use our procedures, equipment, or technology. Our competitors could attempt to replicate some or all of the competitive advantages we derive from our development efforts or design around our intellectual property. Our failure to secure, protect and enforce our intellectual property rights could substantially harm the value of our brand and business. The theft or unauthorized use or publication of our trade secrets and other confidential proprietary information could reduce the differentiation of our procedures and harm our business, the value of our investment in development could be reduced and third parties may make claims against us related to losses of their confidential or proprietary information. Further, it is possible that others will independently develop the same or similar technology or otherwise obtain access to our unpatented technology, and in such cases we could not assert any trade secret rights against such parties. Costly and time- consuming litigation could be necessary to enforce and determine the scope of our trade secret rights and related confidentiality and nondisclosure provisions. If we fail to obtain or maintain trade secret protection, or if our competitors rightfully obtain our trade secrets or independently develop technology similar to ours or competing technologies, our competitive market position could be materially and adversely affected. In addition, some courts are less willing or unwilling to protect trade secrets, and agreement terms that address non- competition are difficult to enforce in many jurisdictions and might not be enforceable in certain cases. In addition, the Federal Trade Commission has proposed new regulations, which, if such regulations come into force in their proposed form and are found enforceable, would largely prohibit future, or render unenforceable most current, non- compete agreements in the United States that would otherwise protect the business. We also seek to preserve the integrity and confidentiality of our data and other confidential information by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached and detecting the disclosure or misappropriation of confidential information and enforcing a claim that a party illegally disclosed or misappropriated confidential information is difficult, expensive and time- consuming, and the outcome is unpredictable. Further, we may not be able to obtain adequate remedies for any breach. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations. ~~We may not be able to protect our intellectual property rights throughout the world to the same extent as in the United States.~~ While we have applied for patent protection in the United States relating to certain of our procedures, a company may attempt to commercialize competing procedures utilizing our proprietary methods in foreign countries where we do not have any patents or patent applications and where legal recourse may be limited or unavailable. In addition, we currently own registered trademarks and trademark applications relating to our business in the United States and other markets, but other companies may own these marks in other jurisdictions. Any such third party rights may have a

significant commercial impact on our ability to expand into foreign markets. Filing, prosecuting and defending patents or trademarks on our current and future procedures in all countries throughout the world would be prohibitively expensive. In addition, we may not accurately predict all of the jurisdictions where patent or trademark protection will ultimately be desirable. If we fail to timely file a patent or trademark application in some jurisdictions, we may be precluded from doing so at a later date. The requirements for patentability and for obtaining trademark protection may differ in certain countries, particularly developing countries. The laws of some foreign countries do not protect intellectual property rights to the same extent as laws in the United States. Consequently, we may not be able to prevent third parties from utilizing our inventions, trademarks and other proprietary rights in all countries outside the United States. Competitors may use our technologies or trademarks in jurisdictions where we have not obtained patent or trademark protection to develop or market their own procedures. Our patents, trademarks or other intellectual property rights may not be effective or sufficient to prevent them from competing. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor, or may not be sufficiently robust for, the meaningful enforcement of patents, trademarks and other intellectual property rights, which could make it difficult for us to stop the infringement or other violation of our patents, trademarks and other intellectual property rights. Proceedings to enforce our intellectual property rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents and trademarks at risk of being invalidated or interpreted narrowly and / or result in the unsuccessful prosecution of our patent or trademark applications, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, many countries, including India, China and certain countries in Europe, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we may have limited remedies if our patents are infringed or if we are compelled to grant a license to our patents to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from our intellectual property. Finally, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws. If our trademarks and trade names are not adequately protected, that could adversely impact our ability to build name recognition in certain markets. We rely on trademarks, service marks and trade names to distinguish our procedures and services from those of our competitors and have registered or applied to register these trademarks. Our registered or unregistered trademarks, service marks and trade names may be challenged, infringed, diluted, circumvented or declared generic or determined to be infringing on other marks. Additionally, we cannot assure you that our trademark applications will be approved. During trademark registration proceedings, we may receive rejections. Although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in proceedings before the USPTO and comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. In the event that our trademarks are successfully challenged, we could be forced to rebrand our procedures or services, which could result in loss of brand recognition and could require us to devote resources towards advertising and marketing new brands. At times, competitors may adopt trade names or trademarks similar to ours, which could harm our brand identity and lead to market confusion. Certain of our current or future trademarks may become so well known by the public that their use becomes generic and they lose trademark protection. Over the long term, if we are unable to establish name recognition through our trademarks and trade names, then we may not be able to compete effectively and our business, financial condition and results of operations may be adversely affected. ~~Risks Related to Government Regulations~~ If we fail to comply with or otherwise incur liabilities under the numerous federal and state laws and regulations relating to the operation of our centers, we could incur significant penalties or other costs or be required to make significant changes to our operations. The cosmetic treatment industry is heavily regulated and we are subject to many laws and regulations at the federal, state and local government levels in the markets in which we operate. These laws and regulations require that our centers meet various licensing, accreditation, certification and other requirements, including, but not limited to, those relating to: • ownership and control of our centers and our arrangements with our affiliated Professional Associations; • operating policies and procedures; • qualification, training and supervision of medical and support persons; • the appropriateness and adequacy of medical care, equipment, personnel, operating policies and procedures; maintenance and preservation of medical records; • the protection and privacy of patient and other sensitive information of privacy, including, but not limited to, patient health information and credit card information; • screening, stabilization and transfer of individuals who have emergency medical conditions and provision of emergency services; • antitrust; • building codes; • workplace health and safety; • licensure, certification and accreditation; • fee- splitting and the corporate practice of medicine; • handling of medication; • confidentiality, data breach, identity theft and maintenance and protection of health- related and other personal information and medical records; • fat removal; and • environmental protection, health and safety. If we fail or have failed to comply with applicable laws and regulations, we could subject ourselves to administrative, civil or criminal penalties, cease and desist orders, and loss of licenses necessary to operate. Many of these laws and regulations have not been fully interpreted by regulatory authorities or the courts, and their provisions are sometimes open to a variety of interpretations. Different interpretations or enforcement of existing or new laws and regulations could subject our current practices to allegations of impropriety or illegality, or require us to make changes in our operations, arrangements with surgeons and licensed professionals, centers, equipment, personnel, services, capital expenditure programs or operating expenses to comply with the evolving rules. Any enforcement action against us, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management' s attention from the operation of our business. In pursuing our growth strategy, we may seek to expand our presence into states in which we do not currently operate. In new geographic areas,

we may encounter laws and regulations that differ from those applicable to our current operations. If we are unwilling or unable to comply with these legal requirements in a cost- effective manner, we may be unable to expand into new geographic markets or such expansion may be materially limited, which, in either case, could materially and adversely affect our ability to expand and grow the business. A number of initiatives have been proposed during the past several years to reform various aspects of the healthcare system in the United States. In the future, different interpretations or enforcement of existing or new laws and regulations could subject our current practices to allegations of impropriety or illegality, or could require us to make changes in our centers, equipment, personnel, services, capital expenditure programs and operating expenses. In addition, some of the governmental and regulatory bodies that regulate us are considering or may in the future consider enhanced or new regulatory requirements. These authorities may also seek to exercise their supervisory or enforcement authority in new or more robust ways. There are laws that limit the amount of fat that may be removed during the procedures we perform, and such restrictions vary depending on where the procedure is performed. If the laws were to change to materially restrict the amount of fat that may be removed during our procedures, this may limit demand for our services or the ability to continue to charge as much for the same procedures or to perform the procedures at all. All of these possibilities, if they occurred, could detrimentally affect the way we conduct our business and manage our capital, either of which, in turn, could have a material adverse effect on our business, prospects, results of operations and financial condition. We cannot be certain if and when international regulatory agencies will approve use of the AirSculpt ® procedure in their respective jurisdictions. We believe that our brand is important to attracting patients and high- quality surgeons. As we continue our international expansion, we cannot be certain if and when regulatory agencies outside the United States will approve use of the AirSculpt ® procedure in their respective jurisdictions. Accordingly, we may need to adapt the AirSculpt ® procedure to local regulatory requirements, which could produce inferior results. Moreover, altering the AirSculpt ® procedure could create confusion among consumers and dilute our brand identity. If inferior results are produced or our brand identity is diluted, we may not be able to compete effectively and our business, financial condition and results of operations may be adversely affected ~~. AirSculpt ® procedures may cause or contribute to adverse medical events that we are required to report to the FDA and if we fail to do so, we could be subject to sanctions that would materially harm our business~~ . In connection with the AirSculpt ® procedure, we currently use an FDA- approved handpiece manufactured by Euromi S. A., a Belgian company that specializes in the manufacturing and distribution of medical, dermatological and plastic surgery products, and other FDA- approved parts, such as the cannula and vacuum pump, from other manufacturers. Using FDA- approved equipment in medical procedures is the practice of medicine and does not itself require further FDA review or approval. However, FDA regulations require that we report certain information about adverse medical events if the AirSculpt ® procedure has caused or contributed to those adverse events. The timing of our obligation to report is triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events we become aware of within the prescribed timeframe. We may also fail to appreciate that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of our products. If we fail to comply with our reporting obligations, the FDA could take action including criminal prosecution, the imposition of civil monetary penalties, revocation of our device clearance or approval, seizure of our products, or delay in approval or clearance of future products. If laws governing the corporate practice of medicine or fee- splitting change, we may be required to restructure some of our relationships, which may result in a significant loss of revenue and divert other resources. Our contractual relationships with our affiliated Professional Associations and surgeons may implicate certain state laws that generally prohibit non- professional entities from providing licensed medical services and exercising control over licensed physicians or other healthcare professionals (such activities generally referred to as the " corporate practice of medicine, " or CPOM) or engaging in certain practices such as fee- splitting with such licensed professionals (i. e., sharing in a percentage of professional fees). The specific requirements, interpretation and enforcement of these laws vary significantly from state to state, and is subject to change and to evolving interpretations. There can be no assurance that these laws will be interpreted in a manner consistent with our practices or that other laws or regulations will not be enacted in the future that could have a material and adverse effect on our business, financial condition and results of operations. We provide comprehensive, administrative and non- clinical Management Services to our affiliated Professional Associations in exchange for a management fee. Regulatory authorities, state boards of medicine, state attorneys general and other parties may assess or determine that our relationships with our affiliated Professional Associations and surgeons violate state CPOM and / or fee- splitting prohibitions. If any of these events occur, we could be subject to significant fines and penalties, certain relationships with our affiliated Professional Associations and surgeons could be voided and declared unenforceable and / or we could be required to materially change the way we do business, which, could adversely affect our business, financial condition and results of operations. State CPOM and fee- splitting prohibitions also often impose penalties on healthcare professionals for aiding in the improper rendering of professional services, which could discourage surgeons and other healthcare professionals from providing clinical services at our centers. ~~We may be subject to various federal and state laws pertaining to healthcare fraud and abuse, including anti- kickback, self- referral, false claims and fraud laws, and any violations by us of such laws could result in fines or other penalties.~~ Although none of our services are currently covered by any state or federal government healthcare program or other third- party payor, applicable agencies and regulators may interpret that we are nonetheless subject to various federal and state laws intended to prevent healthcare fraud and abuse, including, but not limited, to the following: • the federal Anti- Kickback Statute, which prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, to induce either the referral of an individual for an item or service or the purchasing or ordering of a good or service, for which payment may be made under federal healthcare programs such as the Medicare and Medicaid programs. Remuneration has been broadly defined to include anything of value, including cash, improper discounts and free or reduced price items and services; • the federal False Claims Act, which prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, false

claims, or knowingly using false statements, to obtain payment from the federal government, and which may apply to entities that provide coding and billing advice to customers. The federal False Claims Act has been used to prosecute persons submitting claims for payment that are inaccurate or fraudulent, that are for services not provided as claimed or for services that are not medically necessary. The federal False Claims Act includes a whistleblower provision that allows individuals to bring actions on behalf of the federal government and share a portion of the recovery of successful claims; • HIPAA, as amended, also created federal criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters; • similar state anti- kickback and false claims laws, some of which apply to items or services reimbursed by any third party payor, including commercial insurers or services paid out- of- pocket by consumers; and • the Federal Trade Commission Act and federal and state consumer protection, advertisement and unfair competition laws, which broadly regulate marketplace activities and activities that could potentially harm consumers. Because of the breadth of these laws and the need to fit certain activities within one of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. The risk of our being found in violation of these laws and regulations is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are sometimes open to a variety of interpretations. Our failure to accurately anticipate the application of these laws and regulations to our business or any other failure to comply with regulatory requirements could create liability for us and negatively affect our business. Any action against us for violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management' s attention from the operation of our business and result in adverse publicity. We are subject to numerous ~~environmental, health and safety laws and regulations, and must maintain licenses or permits, and non- compliance with these laws, regulations, licenses, or permits may expose us to significant costs or liabilities. We are subject to numerous~~ foreign, federal, state, and local environmental, health and safety laws and regulations relating to, among other matters, safe working conditions and environmental protection, including those governing the generation, storage, handling, use, transportation, and disposal of hazardous or potentially hazardous materials, including medical waste and other highly regulated substances. Some of these laws and regulations require us to obtain licenses or permits to conduct our operations. Environmental, health and safety laws and regulations are complex, occasionally change and have tended to become more stringent over time. If we violate or fail to comply with these laws, regulations, licenses, or permits, we could be fined or otherwise sanctioned by regulators. We cannot predict the impact on our business of new or amended laws or regulations or any changes in the way existing and future laws and regulations are interpreted or enforced, nor can we ensure we will be able to obtain or maintain any required licenses or permits ~~. Certain risks are inherent in providing prescription and over the counter (" OTC ") treatments, and our insurance may not be adequate to cover any claims against us~~ . Sellers of prescriptions and OTC treatments are exposed to risks inherent in the packaging and distribution of prescriptions and OTC treatments and other healthcare products, such as with respect to improper filling of prescriptions, labeling of prescriptions, adequacy of warnings, unintentional distribution of counterfeit drugs and expiration of drugs. Our medical professionals may also have a duty to warn customers regarding any potential negative effects of a prescription drug if the warning could reduce or negate these effects. Although we maintain professional liability and errors and omissions liability insurance, from time to time, claims may result in the payment of significant amounts, some portions of which are not funded by insurance. We cannot assure you that the coverage limits under our insurance policies will be adequate to protect us against future claims or that we will be able to maintain this insurance on acceptable terms in the future. Our business, financial condition and results of operations may be adversely affected if our insurance coverage proves to be inadequate or unavailable or there is an increase in liability for which we self- insure or we suffer reputational harm as a result of an error or omission in the process of prescribing, dispensing and administering prescription and OTC treatments. If antitrust enforcement authorities conclude that our market share in any particular market is too concentrated or that we violate antitrust laws, we could be subject to enforcement actions that could have a material adverse effect on our business, prospects, results of operations and financial condition. The federal government and most states have enacted antitrust laws that prohibit certain types of conduct deemed to be anti- competitive. These laws prohibit price fixing, concerted refusal to deal, market monopolization, price discrimination, tying arrangements, acquisitions of competitors and other practices that have, or may have, an adverse effect on competition. Violations of federal or state antitrust laws can result in various sanctions, including criminal and civil penalties. Antitrust enforcement in the healthcare industry is currently a priority of the Federal Trade Commission (the " FTC "). We believe we are in compliance with federal and state antitrust laws, but courts or regulatory authorities may reach a determination in the future that could have a material adverse effect on our business, prospects, results of operations and financial condition. The healthcare laws and regulation to which we are subject is constantly evolving and may change significantly in the future. The regulation applicable to our business and to the healthcare industry generally to which we are subject is constantly in a state of flux. 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 could ~~be~~ **remain** an emerging growth company ~~for up to five years~~ **until December 31, 2026** , although circumstances could cause us to lose that status earlier, including if our total annual gross revenue ~~are~~ **is** $ 1. ~~07~~ **235** billion or more, if we issue more than $ 1 billion in non- convertible debt during the previous three- year period, or if the Company qualifies as a " large accelerated filer " as defined in Rule 12b- 2 under the Exchange Act. We cannot predict if investors will find our common stock less attractive

because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. We ~~recently~~ 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 ~~recently~~ filed a registration statement on Form S- 3 with the SEC to register the shares offered thereunder for sale into the public market by the selling stockholders. These shares of common stock represent a large number of shares of our common stock, and if sold in the market all at once or at about the same time, could depress the market price of our common stock during the period the registration statement remains effective and could also affect our ability to raise equity capital. Although we do not expect to rely on the " controlled company " exemption, we are a " controlled company " within the meaning of the Nasdaq listing standards, and we qualify for exemptions from certain corporate governance requirements. A " controlled company, " as defined in the Nasdaq listing standards, is a company of which more than 50 % of the voting power for the election of directors is held by an individual, a group or another company. Controlled companies are not required to comply with certain Nasdaq listing standards relating to corporate governance, including: • the requirement that a majority of its board of directors consist of independent directors; • the requirement that its nominating and corporate governance committee be composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; and • the requirement that its compensation committee be composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities. Our Sponsor currently owns a majority of the voting power for the election of our directors, and thus we meet the definition of a " controlled company. " As a result, these requirements do not apply to us as long as we remain a " controlled company. " Although we qualify as a " controlled company, " we currently do not, and we do not expect to, rely on this exemption and we currently comply with, and we expect to continue to comply with, all relevant corporate governance requirements under the Nasdaq listing standards. However, if we were to utilize some or all of these exemptions, you may not have the same protections afforded to shareholders of companies that are subject to all of the Nasdaq listing standards that relate to corporate governance ~~. Our stock price could be extremely volatile, and, as a result, you may not be able to resell your shares at or above the price you paid for them~~ . The stock market in general has been highly volatile. As a result, the market price of our common stock is likely to be similarly volatile, and investors in our common stock may experience a decrease, which could be substantial, in the value of their stock, including decreases unrelated to our operating performance or prospects, and could lose part or all of their investment. The price of our common stock could be subject to wide fluctuations in response to a number of factors, including those described elsewhere in this Annual Report on Form 10- K and others such as: • variations in our operating performance and the performance of our competitors; • actual or anticipated fluctuations in our quarterly or annual operating results; • publication of research reports by securities analysts about us or our competitors or our industry; • announcements by us, our competitors or our vendors of significant contracts, acquisitions, joint marketing relationships, joint ventures or capital commitments; • our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market; • additions and departures of key personnel; • strategic decisions by us or our competitors, such as acquisitions, divestitures, spin- offs, joint ventures, strategic investments or changes in business strategy; • the passage of legislation or other regulatory developments affecting us or our industry; • speculation in the press or investment community; • changes in accounting principles; • geopolitical conditions such as acts of terrorism, military or armed conflicts, such as the Russian invasion of Ukraine, or global pandemics; • natural disasters 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 10~~ **February 26** , ~~2023~~ **2024** , there are ~~56~~ **57** , ~~385~~ **422** , ~~671~~ **246** 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 10~~ **February 26** , ~~2023~~ **2024** , approximately **79** ~~78. 8~~ % of our outstanding common stock is held by investment funds affiliated with our Sponsor and members of our management and employees. Sales of substantial amounts of our common stock in the public market, or the perception that such sales will occur, could adversely affect the market price of our common stock and make it difficult for us to raise funds through securities offerings in the future. Subject to certain exceptions, holders of shares of our common stock may require us to register their shares for resale under the federal securities laws and holders of additional shares of our common stock would be entitled to have their shares included in any such registration statement, all subject to reduction upon the request of the underwriter of the closing of this offering, if any. Registration of those shares would allow the holders to immediately resell their shares in the public market. Any such sales or anticipation thereof could cause the market price of our common stock to decline. Future issuances of capital stock may dilute your percentage ownership in us, which could reduce your influence over matters on which stockholders vote. Our board of directors has the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares of common stock, including shares issuable upon the exercise of options, or shares of our authorized but unissued voting preferred stock. Issuances of common stock or preferred stock would reduce your influence over matters on which our stockholders vote and, in the case of issuances of preferred stock, would likely result in your interest in us being subject to the prior rights of holders of that preferred stock. Certain of our directors and executive officers ~~hold a substantial portion of our common stock, which may lead to conflicts of interest with other stockholders over corporate transactions and other corporate matters. Certain of our directors and executive officers~~ beneficially own a substantial portion of our outstanding common stock. This concentration of ownership may not be in the best interests of our other stockholders. These stockholders, acting together, would be able to influence significantly all matters requiring stockholder approval, including the election of directors and significant corporate transactions such as mergers or other business

combinations. This control could delay, deter, or prevent a third party from acquiring or merging with us, which could adversely affect the market price of our common stock ~~. Provisions in our charter documents and Delaware law may deter takeover efforts that could be beneficial to stockholder value~~. Our amended and restated certificate of incorporation and amended and restated by- laws contain, and Delaware law contains, provisions that could make it harder for a third party to acquire us, even if doing so might be beneficial to our stockholders. These provisions in our charter documents include the following: • a classified board of directors with three- year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors; • no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; • the exclusive right of our board of directors, unless the board of directors grants such right to the stockholders, to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors; • the required approval of at least 662 / 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 662 / 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 ~~recently~~ determined that the exclusive forum provisions of federal district courts of the United States of America for resolving any complaint asserting a cause of action arising under the Securities Act is not enforceable. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Because we have no current plans to pay cash dividends on our common stock for the foreseeable future, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it. We may retain future earnings, if any, for future

operations, expansion and debt repayment and have no current plans to pay any cash dividends for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our board of directors may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any existing and future outstanding indebtedness we or our subsidiaries incur, including our senior credit facility. As a result, you may not receive any return on an investment in our common stock unless you sell our common stock for a price greater than that which you paid for it. As a result of becoming a public company, we are obligated to report on the effectiveness of our internal controls over financial reporting. These internal controls may not be effective and our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation. As a public company, we are required to evaluate our internal controls over financial reporting. Furthermore, at such time as we cease to be an " emerging growth company, " as more fully described in the risk factor " We are an " emerging growth company, " as defined in the Securities Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors, " we will also be required to comply with Section 404 of the Sarbanes- Oxley Act. At such time, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404 of the Sarbanes- Oxley Act. In addition, if we fail to achieve and maintain the adequacy of our internal controls, as such standards are modified, supplemented or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes- Oxley Act. We cannot be certain as to the timing of completion of our evaluation, testing and any remediation actions or the impact of the same on our operations. If we are not able to implement the requirements of Section 404 of the Sarbanes- Oxley Act in a timely manner or with adequate compliance, our independent registered public accounting firm may not be able to certify as to their effectiveness, which could have a significant and adverse effect on our business and reputation. **As of December 31, 2023, 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. Sustaining our growth also will require us to commit additional management, operational and financial resources to identify new professionals to join our firm and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management' s attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Operating as a public company makes it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. This could also make it more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees, or as executive officers. Furthermore, if we are unable to satisfy our obligations as a public company, we could be subject to delisting of our common stock, fines, sanctions, and other regulatory action and potentially civil litigation, which could have a material adverse effect on our financial condition and results of operations. As an " emerging growth company " under the JOBS Act, we are permitted to, and intend to, take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not " emerging growth companies, " including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. When these exemptions cease to apply, we expect to incur additional expenses and devote increased management effort toward ensuring compliance with them. We will remain an " emerging growth company " for up to five years, although we may cease to be an emerging growth company earlier under certain circumstances. See the risk factor " We are an " emerging growth company, " as defined in the Securities Act, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors " for additional information on when we may cease to be an emerging growth company. We cannot predict or estimate the amount of additional costs we may incur as a result of becoming a public company or the timing of such costs. If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline. The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of our Company, the trading price for our common stock would be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of the analysts who covers us downgrades our common stock or publishes inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our common stock could decrease, which could cause our stock price and trading volume to decline ~~. We may be subject to securities litigation, which is expensive and could divert management attention~~ . The market price of our common stock may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be

the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management' s attention from other business concerns, which could seriously harm our business. Our quarterly operating results and other operating metrics may fluctuate from quarter to quarter, which makes these metrics difficult to predict. Our quarterly operating results and other operating metrics have fluctuated in the past and may continue to fluctuate from quarter to quarter. Additionally, our limited operating history makes it difficult to forecast our future results. As a result, you should not rely on our past quarterly operating results as indicators of future performance. You should take into account the risks and uncertainties frequently encountered by companies in rapidly evolving markets. Our financial condition and operating results in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including: • the continued market acceptance of, and the growth of the body contouring market; • our ability to maintain and attract new customers; • our development and improvement of the quality of the AirSculpt ® experience, including, improving our proprietary AirSculpt ® technology 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.