Risk Factors Comparison 2023-09-07 to 2022-08-17 Form: 10-K

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Our business is subject to numerous risks and uncertainties, including those highlighted in Part ~~II~~ **I**, Item 1A titled " Risk Factors. " These risks include, but are not limited to, the following: Risks related to our business and results of operations • We face risks related to the current global economic environment, which could adversely affect our business, financial condition and results of operations ~~. • The effect of the COVID- 19 pandemic could continue to have a material adverse effect on our business, financial condition, results of operations, or cash flows~~ . • If our products do not achieve widespread market acceptance, we will not be able to generate the revenue necessary to support our business. • Our ability to achieve profitability depends in part on maintaining or increasing our gross margins on product sales and services **, which we may not be able to achieve. • The effect of the COVID- 19 pandemic, or the perception of its effects, as well as the responses of governments and private industry on our operations and the operations of our customers and suppliers, have and could continue to have a material adverse effect on our business, financial condition, results of operations, or cash flows** . • We have outstanding indebtedness and may incur other debt in the future, which may adversely affect our financial condition and future financial results. • Our operating results, including our **cash flows,** quarterly orders, revenues and margins fluctuate from quarter to quarter and may be unpredictable, which may result in a decline in our stock price. • Our industry is subject to intense competition and rapid technological change ~~. If we~~ **, which may result in new products or treatments that** are **superior to the CyberKnife and TomoTherapy platforms. We may be** unable to anticipate or keep pace with changes in the marketplace and the direction of technological innovation and customer demands ~~, our products may become obsolete or less useful and our operating results will suffer~~ . • **We are subject** ~~International sales of our products account for a significant portion of our revenue, which exposes us~~ to risks ~~inherent in~~ **arising from our** international operations ~~. • Enhanced international tariffs that affect our products or components within our products~~ , **which may** ~~other trade barriers or a global trade war could increase our costs and materially and~~ adversely affect our business **,** ~~operations and~~ financial condition **, and results of operations** . • **Our** ~~The ongoing military action between Russia and Ukraine, and the global response to it, could adversely affect our business, financial condition and~~ results ~~of operations~~ **may be impacted by changes in foreign currency exchange rates** . • If we encounter manufacturing problems, or if our manufacturing facilities do not continue to meet federal, state or foreign manufacturing standards, we may be required to temporarily cease all or part of our manufacturing operations, which would result in delays and lost revenue. • If we are unable to develop new products or enhance existing products to meet our customers' needs and compete favorably in the market, we may be unable to attract or retain customers. • If we do not effectively manage our growth, our business may be significantly harmed. • We could become subject to product liability claims, product recalls, other field actions and warranty claims that could be expensive, divert management' s attention and harm our business. • Our reliance on single - source suppliers for critical components of our products could harm our ability to meet demand for our products in a timely and cost effective manner. • ~~The inflationary environment could materially adversely impact our business and results of operations. •~~ We depend on key employees, the loss of whom would adversely affect our business. **If we fail to attract and retain employees with the expertise required for our business, we may be unable to continue to grow our business.** • Disruption of critical information technology systems, infrastructure and data or cyberattacks could harm our business and financial condition. • Any actual or perceived failure by us to comply with legal or regulatory requirements related to privacy, cyber security and data protection in one or multiple jurisdictions could result in proceedings, actions or penalties against us **. • If third party payors do not provide sufficient coverage and reimbursement to healthcare providers for use of our product platforms or if the number of patients covered by health insurance reduces, demand for our products and our revenue could be adversely affected** . • The safety and efficacy of our products for certain uses is not yet supported by long - term clinical data, and our products may therefore prove to be less safe and effective than initially thought. • **We rely on third parties to perform spare parts shipping and other logistics functions on our behalf. A failure or disruption at our logistics providers would adversely impact our business. •** Third parties may claim we are infringing their intellectual property or that we are operating outside the scope of or violating a license or other agreement relating to their intellectual property **. • We may** ~~, and we could suffer significant audit, litigation or licensing expenses, incur liabilities associated with indemnification obligations to customers, experience disruptions in the supply for components of our product or related services, or~~ be **subject to claims that** ~~prevented from selling our product or~~ **our** ~~components of~~ **employees have wrongfully used** ~~our~~ **or** ~~product~~ **disclosed alleged trade secrets of their former employers** . • It is difficult and costly to protect our intellectual property and our proprietary technologies and we may not be able to ensure their protection. ~~• Because the majority of our product revenue is derived from sales of the CyberKnife and TomoTherapy platforms, which have a long and variable sales and installation cycle, our revenues and cash flows may be volatile and difficult to predict.~~ Risks related to the regulation of our products and business • Modifications, upgrades, new indications and future products related to our products may require new **Food and Drug Administration ("** FDA **")** 510 (k) clearances or premarket approvals and similar licensing or approvals in international markets. ~~Such modifications, or any defects in design, manufacture or labeling may require us to recall or cease marketing the affected systems or software until approvals or clearances are obtained.~~ • We are subject to federal, state and foreign laws and regulations applicable to our operations, the violation of which could result in substantial penalties and harm our business. • If we or our distributors do not obtain and maintain the necessary regulatory approvals in a specific country, we will not be able to market and sell our products in that country ~~. • Healthcare reform legislation could adversely affect demand for our products, our revenue and our financial condition. • Regulations related to " conflict minerals " may force us to incur additional expenses, may~~

~~result in damage to our business reputation and may adversely impact our ability to conduct our business~~ . Risks related to our common stock • The price of our common stock is volatile and may continue to fluctuate significantly, which could lead to losses for stockholders. • **Future issuances of shares of our common stock could dilute the ownership interests of our stockholders. •** The conditional conversion features of the Notes, if triggered, may adversely affect our financial condition and operating results. • Provisions in the indenture for the Notes, the credit agreement for our ~~New~~ Credit ~~Facility~~ **Facilities (as defined below)** , our certificate of incorporation and our bylaws could discourage or prevent a takeover, even if an acquisition would be beneficial in the opinion of our stockholders. General Risks • Our **liquidity** ~~operations are vulnerable to interruption or loss because of natural disasters, global or regional health pandemics or epidemics, terrorist acts and other events beyond our control, which would~~ **could be** adversely ~~affect our business~~ **impacted by adverse conditions in the financial markets** . We operate in a rapidly changing environment that involves significant risks, a number of which are beyond our control. In addition to the other information contained in this Form 10 - K, the following discussion highlights some of these risks and the possible impact of these factors on our business, financial condition and future results of operations. If any of the following risks actually occur, our business, financial condition or results of operations may be adversely impacted, causing the trading price of our common stock to decline. In addition, these risks and uncertainties may impact the " forward - looking " statements described elsewhere in this Form 10 - K and in the documents incorporated herein by reference. They could affect our actual results of operations, causing them to differ materially from those expressed in " forward - looking " statements. Risks Related to Our Business and Results of Operations We face risks related to the current global economic environment, including risks arising in connection with the COVID- 19 pandemic, inflation or recession, which could adversely affect our business, financial condition and results of operations by, among other things, delaying or preventing our customers from obtaining financing to purchase ~~the CyberKnife~~ **our products** and **services or** ~~TomoTherapy platforms and implement~~ **implementing** the required facilities to house our systems. Our business and results of operations are materially affected by conditions in the global markets and the economy generally. Concerns over economic and political stability ~~,~~**;** inflation levels and related efforts to mitigate inflation ~~,~~**;** a potential recession ~~,~~**;** the level of U. S. national debt, **the U. S. debt credit rating and U. S. budgetary concerns;** currency fluctuations and volatility ~~,~~**;** the rate of growth of Japan, China and other Asian economies ~~,~~**;** unemployment ~~,~~**;** the availability and cost of credit ~~,~~**;** trade relations, including the imposition of various sanctions and tariffs ~~,~~**in other countries;** the duration and severity of the COVID- 19 pandemic ~~,~~**;** energy costs **; instability in the banking and financial services sector** and geopolitical uncertainty and conflict have contributed to increased volatility and diminished expectations for the economy and the markets in general. In turn, periods of economic slowdown or recession could lead to a reduction in demand for our products and services, which in turn would reduce our revenues and adversely affect our results of operations and our financial position **. The results of these macroeconomic conditions, and the actions taken by governments, central banks, companies, and consumers in response, have and may continue to result in higher inflation in the U. S. and globally, which has led to an increase in costs and caused changes in fiscal and monetary policy, including increased interest rates. Other adverse impacts of recent macroeconomic conditions have been and may continue to be supply chain constraints, logistics challenges, and fluctuations in labor availability** . Thus, if general macroeconomic conditions deteriorate, our business and financial results could be materially and adversely affected. ~~customer confidence and spending,including capital spending.Changes in economic conditions,supply chain constraints,logistics challenges,the conflict between Russia and Ukraine and steps taken by governments and central banks,particularly in response to the COVID- 19 pandemic as well as other stimulus and spending programs,have led to higher inflation than previously experienced or expected,which has lead to an increase in costs.~~ In an inflationary environment,we may be unable to raise the prices of our products and services sufficiently to keep up with the rate of inflation.Impacts from inflationary pressures could be more pronounced and materially adversely impact aspects of our business where revenue streams and cost commitments are linked to contractual agreements that extend many years into the future,as we may not be able to quickly or easily adjust pricing,reduce costs,or implement counter measures. ~~We depend~~ **A higher inflationary environment can also negatively impact raw material,component,and logistics costs that,in turn,has increased the costs of producing and distributing our products.For example,in fiscal year 2023,inflationary pressures resulted in rising costs for certain materials,including increased logistics costs,that have adversely affected our gross margins,which have had a material effect** on ~~key employees,the loss of whom would adversely affect~~ our business **,financial condition or results of operations** . ~~If~~ **Continued pressure from inflationary factors could further exacerbate these effects.** Further, the U. S. federal government has called for, or enacted, substantial changes to healthcare, trade, fiscal, and tax policies, which may include changes to existing trade agreements and may have a significant impact on our operations. For example, ~~of~~ the United States has imposed tariffs on certain foreign products, including from China, that have resulted in and may result in future retaliatory tariffs on U. S. goods and products. We cannot predict whether these policies will continue, or if new policies will be enacted, or the impact, if any, that any policy changes could have on our business. **In addition, failure of the U. S. Government to pass a budget in a timely manner or any reductions in healthcare spending in the budget may adversely impact us or our customers.** If economic conditions worsen **,** or new legislation is passed related to the healthcare system, trade, fiscal or tax policies, customer demand may not materialize to levels we require to achieve our anticipated financial results, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, **the** uncertain **macroeconomic environment, including volatile** credit markets and concerns regarding the availability **and cost** of credit, ~~including~~ **increased interest rates, inflation, reduced economic growth or a recession, instability in the banking and financial services sector or** concerns related to the COVID- 19 pandemic, ~~inflation or a recession~~ **in any of the geographic areas where we do business** , could impact consumer and customer demand for our products **and services** , as well as our ability to manage normal commercial relationships with our customers, suppliers and creditors, including financial institutions ~~. If the current situation deteriorates or does not improve , our business could be negatively affected by factors such as reduced demand for our products resulting from a slow - down or volatility in the general economy, supplier or customer~~

~~disruptions~~ and **the** ~~/ or temporary interruptions in our~~ ability ~~to conduct day - to - day transactions through our financial intermediaries involving the payment to or collection~~ of ~~funds from~~ our customers **to meet** ~~, vendors and suppliers, and delays associated with the~~ **their obligations to us** ~~ongoing COVID- 19 pandemic~~. For example, in the United States **, at least one customer has declared bankruptcy causing us to increase our bad debt reserve due to the expectation that they will be unable to pay us. Further** , some of our customers have been delayed in obtaining, or have not been able to obtain, necessary financing for their purchases of the CyberKnife or TomoTherapy platforms. In addition, some of our customers have been delayed in obtaining, or have not been able to obtain, necessary financing for the construction or renovation of facilities to house **the** CyberKnife or TomoTherapy platforms, the cost of which can be substantial. These delays have **,** in some instances **,** led to our customers postponing the shipment and installation of previously ordered systems or cancelling their system orders and may cause other customers to postpone their system installation or to cancel their agreements with us. ~~An~~ **A continuation or further deterioration of the adverse economic environment would further** increase ~~in~~ delays and order cancellations **, or affect our ability to collect from our customers, any** of **which** ~~this nature~~ would **continue to** adversely affect ~~our product sales, backlog and~~ revenues, and therefore **,** harm our business and results of operations . In addition, the ongoing global..... in this " Risk Factors " section . If the CyberKnife or TomoTherapy platforms do not achieve widespread market acceptance, we will not be able to generate the revenue necessary to support our business. Achieving physician, patient, hospital administrator and third - party payor acceptance of the CyberKnife and TomoTherapy platforms as preferred methods of tumor treatment is crucial to our continued success. Physicians will not begin to use or increase the use of the CyberKnife or TomoTherapy platforms unless they determine, based on experience, clinical data and other factors, that the CyberKnife and TomoTherapy platforms are safe and effective alternatives to traditional treatment methods. Further, physicians may be slow to adopt new or updated versions of our CyberKnife and TomoTherapy platforms because of the perceived liability risks arising from the use of new products and the uncertainty of reimbursement from third- party payors, particularly in light of ongoing health care reform initiatives and the evolving U. S. health care environment. If we are not able to expand market acceptance of our products and maintain and increase our base of installed systems, or installed base, then sales of our products may not meet expectations. Any failure to expand and protect our existing installed base could adversely affect our operating results. We often need to educate physicians about the use of stereotactic radiosurgery, image guided radiation therapy (**"** IGRT **"**) and adaptive radiation therapy, convince healthcare payors that the benefits of the CyberKnife and TomoTherapy platforms and their related treatment processes outweigh their costs, and help train qualified physicians in the skilled use of these systems. In addition, we also must educate prospective customers regarding the entire functionality of our radiation therapy systems and their relative benefits compared to alternative products and treatment methods. We must also increase awareness among potential patients, who are increasingly educated about treatment options and therefore **,** impact adoption of new technologies by clinicians. We have expended and will continue to expend significant resources on marketing and educational efforts to create awareness of stereotactic radiosurgery and robotic intensity- modulated radiotherapy (**"** IMRT **"**) as well as adaptive radiation therapy and IGRT generally and to encourage the acceptance and adoption of our products for these technologies. We cannot be sure that our products will gain significant market acceptance among physicians, patients and healthcare payors, even if we spend significant time and expense on their education. In addition to achieving market acceptance of our products and the need to educate physicians and others about the benefits of our products, the CyberKnife and TomoTherapy platforms are major capital purchases, and purchase decisions are greatly influenced by hospital administrators who are subject to increasing pressures to reduce costs. In addition, hospitals and other health professionals ~~have~~ **may** ~~reduced~~ **reduce** staffing and reduce or postpone meetings with potential suppliers in response to the spread of an infectious disease, such as COVID- 19, effectively delaying the decision on potential purchases of new products such as ours. These and other factors, including the following, may affect the rate and level of market acceptance of the CyberKnife and TomoTherapy platforms: • the CyberKnife and TomoTherapy platforms' price relative to other products or competing treatments; • our ability to develop new products and enhancements and receive regulatory clearances and approval, if required, to such products in a timely manner; • increased scrutiny by state boards when evaluating certificates of need requested by purchasing institutions; • perception by patients, physicians and other members of the healthcare community of the CyberKnife and TomoTherapy platforms' safety, efficacy, efficiency and benefits compared to competing technologies or treatments; • willingness of physicians to adopt new techniques and the ability of physicians to acquire the skills necessary to operate the CyberKnife and TomoTherapy platforms; • extent of third - party coverage and reimbursement rates, particularly from Medicare, for procedures using the CyberKnife and TomoTherapy platforms; and • development of new products and technologies by our competitors or new treatment alternatives. If the CyberKnife or TomoTherapy platforms are unable to achieve or maintain market acceptance, new orders and sales of our systems would be adversely affected, our revenue levels would decrease and our business would be harmed. ~~Our ability to achieve profitability depends in part on maintaining or increasing our gross margins on product sales and services, which we may not be able to achieve.~~ As of June 30, ~~2022~~ **2023** , we had an accumulated deficit of $ ~~492~~ **502** . ~~5~~ **1** million. We ~~may~~ **have incurred net losses, and expect to** incur net losses in the future, particularly as selling and marketing activities increase ahead of any expected revenue. Our ability to achieve and sustain long - term profitability is largely dependent on our ability to successfully market and sell the CyberKnife and TomoTherapy platforms, control our costs, and effectively manage our growth. We cannot assure you that we will be able to achieve profitability and even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. In the event we fail to achieve profitability, our stock price could decline. Our ability to achieve profitability also depends on our ability to maintain or increase our gross margins on product sales and services. A number of factors ~~may~~ **have** adversely **impacted or could** impact ~~such~~ gross margins, including: • lower than expected manufacturing yields of high cost components leading to increased manufacturing costs; • low production volume, which will result in high levels of overhead cost per unit of production; • lower selling pricing ~~, which we have recently experienced~~ ; • our ability to sell products and services, recognize revenue from our sales and the timing of revenue recognition

and revenue deferrals; • increased labor costs or other costs as a result of increased inflation and supply chain constraints; • delays in receipt of or increased costs related to critical components parts, including as a result of supply chain disruptions; • increased inventory costs and liabilities for excess inventory resulting from inventory held in excess of forecasted demand; • increased service or warranty costs or the failure to reduce service or warranty costs; • increased price competition; • variation in the margins across products installed in a particular period; • changes to U. S. and foreign trade policies, including enactments of tariffs on goods imported into the U. S. and any retaliatory tariffs imposed by other countries on U. S. goods, including our products; and • how well we execute on our strategic and operating plans. If we are unable to maintain or increase our gross margins on product sales and service, our results of operations could be adversely impacted, we may not achieve profitability and our stock price could decline. ~~. The COVID- 19 pandemic continues to be prevalent and related government and private sector responsive actions have impacted and will likely continue to adversely affect our business operations. It is impossible to predict the full extent of the effects of the COVID- 19 pandemic on our business, operations, financial condition or the economy.~~ Governments, public institutions, and other organizations have taken and are taking certain preventative or protective measures to combat the spread of the **COVID- 19** pandemic. While we are unable to predict the full impact of the **COVID- 19** pandemic, we are closely monitoring the trends in the COVID- 19 pandemic and are continually assessing its current and potential effects on our business. ~~As~~ **For example, as a result of the COVID- 19 related restrictions in China, sales in China have decreased and we have experienced delays in the JV obtaining certain necessary regulatory approvals for a Class B device. Sales in China may continue to experience declines if additional COVID- 19 related restrictions are initiated in the future. In addition, as** a result of timing delays caused by the COVID- 19 pandemic, we have and are continuing to experience disruptions in our sales and revenue cycle as well as declines in deliveries and installations of our products, which has adversely impacted the pace at which our backlog converts to revenue. These timing delays have been a result of various factors driven by the COVID- 19 pandemic, including disruptions in the operations of our customers that have redirected customer resources to the COVID- 19 response and away from purchases of capital equipment such as our products, disruptions and restrictions on our ability to travel to customer sites, disruptions in our supply chain, and manufacturing interruptions. We have also experienced delays in payment and planned installations as a result of the changes to and redirection of customer resources to the response to the COVID- 19 pandemic and closures of customer facilities ~~. A few customers have also requested to extend payment terms or temporarily suspend service and corresponding payment obligations and while we have only received a small number of requests thus far~~ , **which may continue if COVID- 19 resurges in certain areas, particularly** as ~~the pandemic and its~~ **it relates to** ~~effects continue, more customers may ask for the same, particularly, if the effects of the~~ COVID- 19 ~~pandemic deepen or worsen~~ **related lockdowns in China** . In addition, the COVID- 19 pandemic and other factors ~~continue to impact~~ **impacted** the global supply chain, causing disruptions to service providers, logistics and the flow and availability of supplies and products. In particular, we have experienced disruptions in parts of our supply chain that have resulted in delays in the receipt of certain components for **our products that have also delayed shipments of** our products as well as increased pricing pressure for such parts. These ongoing supply chain challenges and heightened logistics costs have affected our gross margins and net income (loss), and our current expectations are that gross margins and net income (loss) will continue to be adversely affected by increased material costs and freight and logistic expenses at least through the remainder of **fiscal** ~~the calendar~~ year ~~of 2022~~ **2024** , if not longer. Furthermore, certain parts required for the ~~manufacture~~ **manufacturing** and servicing of our products are scarce and becoming increasingly difficult to source **,** even at increased prices. If such parts become unavailable to us, we would not be able to manufacture or service our products, which would adversely impact revenue, gross margins, and net income (loss). Additionally, to protect the health and well- being of our employees, suppliers, and customers, we have ~~also made modifications to employee travel and limited non- essential work travel,~~ implemented remote work arrangements **.** ~~as most employees are advised to work from home, and cancelled or shifted some of our conferences and other~~ **Other** ~~marketing events to virtual through the calendar year of 2022. In addition, other~~ impacts of the COVID- 19 pandemic have included and could include significant and unpredictable reductions in the demand for our products ~~,~~ **;** a deepening of the changes to the operations and workflows of our customers that could result in increased customer defaults or delays in payment; additional delays, cancellations and redirection of planned capital expenditures and installations of our system by our customers to focus resources on COVID- 19; ~~disruptions in our supply chain or~~ a reduction or interruption in any of our manufacturing processes resulting in our inability to meet demand for our products or services; or closures of our key facilities or the facilities of our customers or suppliers. For example, ~~our~~ cancellations of orders have increased due to the COVID- 19 pandemic. Further, a lack of coordinated response on or compliance with risk mitigation with respect to the COVID- 19 pandemic could result in significant increases to the duration and severity of the pandemic and could have a corresponding negative impact on our business. **Additional impacts may arise that we are not aware of currently; however, the COVID- 19 pandemic or the perception of its effects could have a material adverse effect on our business, financial condition, results of operations, or cash flows.** In addition, **the COVID- 19 pandemic and the various responses to it, may also have the effect of heightening many of the** ~~there~~ **other** ~~has~~ **risks discussed in this " Risk Factors " section.** We have outstanding indebtedness in the form of Convertible Senior Notes and a credit facility and may incur other debt in the future, which may adversely affect our financial condition and future financial results ~~. In August 2017, we issued $ 85. 0 million aggregate principal amount of our 3. 75 % Convertible Senior Notes due 2022 (the " 3. 75 % Convertible Notes due 2022 ")~~ . In May 2021, we issued $ 100. 0 million aggregate principal amount of our 3. 75 % Convertible Senior Notes due 2026 (the " ~~3. 75 % Convertible Notes due 2026 " and collectively, with the 3. 75 % Convertible Notes due 2022, the "~~ Notes "). As our debt matures, we anticipate having to expend significant resources to either repay or refinance the Notes. For example, in May 2021, in connection with the issuance of the ~~3. 75 % Convertible~~ Notes ~~due 2026~~ , we (i) exchanged approximately $ 82. 1 million aggregate principal amount of our **previously issued** 3. 75 % Convertible **Senior** Notes due 2022 for approximately $ 97. 1 million aggregate principal amount of **the** ~~3. 75 % Convertible~~ Notes ~~due 2026~~ and (ii) sold approximately $ 2. 9 million aggregate principal amount of **the** ~~3. 75 %~~

~~Convertible~~ Notes ~~due 2026~~ for cash. If we decide to, or are required to, refinance the Notes in the future, we may be required to do so on different or less favorable terms or we may be unable to refinance the Notes at all, both of which may adversely affect our financial condition. In May 2021, we entered into a credit agreement that provided us with a five- year $ 80. 0 million term loan (the " Term Loan Facility ") and $ 40. 0 million revolving credit facility (the " Revolving Credit Facility " and together with the " Term Loan Facility ", the " Credit Facilities "). ~~The proceeds from the Credit Facilities, plus available cash on hand, were used to repay all outstanding borrowings under our prior credit facility.~~ As of June 30, ~~2022~~ **2023**, we had total consolidated liabilities of approximately $ ~~419~~ **425**. ~~7~~ **6** million; including **long- term liabilities of the Notes of** $ 100. ~~5~~ **0** million **, the Revolving Credit Facility** of ~~Notes~~ **$ 10. 0 million and the Term Loan Facility of 70. 0 million,** of which $ ~~2~~ **5**. ~~9~~ **7** million is classified as short- term ~~, the Revolving Credit Facility of $ 5. 0 million and the Term Loan Facility of $ 75. 0 million, of which $ 5. 7 million is classified as a short- term~~ loan. Our existing and future levels of indebtedness could have important consequences to stockholders and note holders and may adversely affect our financial conditions and future financial results by, among other things: • affecting our ability to satisfy our obligations under the Notes and ~~New~~ Credit Facilities; • requiring a substantial portion of our cash flows from operations to be dedicated to interest and principal payments, which may not be available for operations, working capital, capital expenditures, expansion, acquisitions or general corporate or other purposes; • impairing our ability to obtain additional financing in the future; • limiting our flexibility in planning for, or reacting to, changes in our business and industry; and • increasing our vulnerability to downturns in our business, our industry or the economy in general ~~, including any such downturn related to the impact of the COVID- 19 pandemic~~. The credit agreement governing the Credit Facilities **(the " Existing Credit Agreement ")** also include certain restrictive covenants that limit, among other things, our ability and our subsidiaries' ability to (i) incur indebtedness, (ii) incur liens on their property, (iii) pay dividends or make other distributions, (iv) sell their assets, (v) make certain loans or investments, (vi) merge or consolidate, (vii) voluntarily repay or prepay certain indebtedness and (viii) enter into transactions with affiliates, in each case, subject to certain exceptions. In addition, such agreements require us to meet certain financial covenants, including a consolidated fixed charge coverage ratio and consolidated senior net leverage ratio, as defined in the **Existing** ~~credit agreement governing the~~ Credit ~~Facilities~~ **Agreement. In October 2022, we entered into an amendment with respect of our Existing Credit Agreement to change the requirements of the financial maintenance covenants under the Existing Credit Agreement for the fiscal quarter ending December 31, 2022 through the end of the fiscal quarter ending June 30, 2023. However, following June 30, 2023, our financial maintenance covenants under the Existing Credit Agreement will become more stringent and, as a result could be more difficult to comply with**. These restrictions could adversely affect our ability to finance our future operations or capital needs, withstand a future downturn in our business or the economy in general, engage in business activities, including future opportunities that may be in our interest, and plan for or react to market conditions or otherwise execute our business strategies. Our ability to comply with the covenants and other terms governing the Credit Facilities will depend in part on our future operating performance. If we fail to comply with such covenants and terms, we may be in default and the maturity of the related debt could be accelerated and become immediately due and payable. In addition, because substantially all of our assets are pledged as a security under the Credit Facilities, if we are not able to cure any default or repay outstanding borrowings, such assets are subject to the risk of foreclosure by our lenders. From time to time, we may not be in compliance with such covenants or other terms governing the Credit Facilities and we may be required to obtain waivers or amendments to the **Existing** ~~credit~~ **Credit** ~~agreement~~ **Agreement** from our lenders in order to maintain compliance and there can be no certainty that any such waiver or amendment will be available, or what the cost of such waiver or amendment, if obtained, would be. If we are unable to obtain necessary waivers and the debt under such credit facility is accelerated, we would be required to obtain replacement financing at prevailing market rates, which may not be favorable to us. Additionally, a default on indebtedness could result in a default under the terms of the indenture governing the Notes. There is no guarantee that we would be able to satisfy our obligations if any of our indebtedness is accelerated. ~~Our operating results~~ **In addition, our debt obligations consist of a variety of financial instruments that expose us to interest rate risk**, including **, but not limited to the Credit Facilities and Notes. If the amount outstanding under the Credit Facilities remained at this level for the next 12 months and interest rates increased** ~~our~~ **or** ~~cash flows quarterly orders~~ **decreased by 50 basis point change**, **our annual interest expense would increase** ~~revenues and margins fluctuate from quarter to quarter and may be unpredictable, which may result in a decline in our~~ **or** ~~stock price~~ **decrease, respectively, approximately $ 0. 4 million**. We have experienced and expect in the future to experience fluctuations in our operating results, including gross orders, revenues and margins, from period to period. Drivers of orders include the introduction and timing of new product or product enhancement announcements by us and our competitors, the timing of regulatory approvals, changes in price by us and our competitors as well as changes or anticipated changes in third - party reimbursement amounts or policies applicable to treatments using our products. The availability of economic stimulus packages or other government funding, or reductions thereof, may also affect timing of customer purchases. Our products have a high unit price and require significant capital expenditures by our customers. Accordingly, we experience long sales and implementation cycles, which is of greater concern during a volatile economic environment where we have had customers delay or cancel orders. The timing of when orders are placed, when installation, delivery or shipping, as applicable, is accomplished and when revenue is recognized affect our quarterly results. Further, because of the high unit price of the CyberKnife and TomoTherapy platforms and the relatively small number of units sold or installed each quarter, each sale or installation of a CyberKnife or TomoTherapy platform can represent a significant percentage of our net orders, backlog or revenue for a particular quarter and shifts in sales or installation from one quarter to another may have significant effects. For example, multi- system sales or sales involving negotiations with integrated delivery networks involve additional complexities to the transaction and require a longer timeline to finalize the sale, which make it more difficult to predict the quarter in which the sale will occur. In addition, we have experienced and are continuing to experience delays in orders and installations due to the impact of the COVID- 19 pandemic at our customer sites. ~~To protect the health and well- being of our employees, suppliers, and~~

~~customers, we have also made modifications to employee travel and limited non- essential work travel.~~ The COVID- 19 pandemic has impacted and may continue to impact our business operations, including our employees, customers and partners, and there is substantial uncertainty in the nature and degree of its continued effects over time. Once orders are received and booked into backlog, there is a risk that we may not recognize revenue in the near term or at all. The COVID- 19 pandemic has adversely impacted the pace at which the backlog converts to revenue. This is primarily the result of delays in the timing of deliveries and installations in fiscal 2020 ~~and~~ **through** ~~2021~~ **2022** caused by the COVID- 19 pandemic, which resulted in decreased revenue for these periods. **These** ~~We expect that such~~ delays in deliveries and installations ~~will~~ **may** continue **,** to some degree **,** through the remainder of calendar year ~~of 2022~~ **2023** , which ~~would~~ **could** have a negative impact on our revenue during such period. Factors that may affect whether these orders become revenue (or are cancelled or deemed aged - out and reflected as a reduction in net orders) and the timing of revenue include: • economic or political instability, including volatility related to the **current global economic environment and the** COVID- 19 pandemic; • delays in the customer obtaining or inability of a customer to obtain funding or financing; • delays in construction at the customer site and delays in installation; • delays in the customer obtaining or inability of such customer to obtain local or foreign regulatory approvals such as certificates of need in certain states or Class A or Class B user licenses in China; • the terms of the applicable sales and service contracts of the CyberKnife and TomoTherapy platforms; and • the proportion of revenue attributable to orders placed by our distributors, which may be more difficult to forecast due to factors outside our control. Our operating results may also be affected by a number of other factors, some of which are outside of our control, including: • delays in business operations of our customers or vendors, construction at customer sites and installation, including ~~such~~ delays caused by the impact of the COVID- 19 pandemic or supply chain delays; • timing and level of expenditures associated with new product development activities; • regulatory requirements in some states for a certificate of need prior to the installation of a radiation device or foreign regulatory approvals, such as Class A or Class B user licenses in China; • delays in shipment due to, ~~for example~~ **among other things** , unanticipated construction delays at customer locations where our products are to be installed, cancellations by customers, natural disasters, global or regional health pandemics or epidemics, or labor disturbances; • delays in our manufacturing processes or unexpected manufacturing difficulties, including due to ~~COVID- 19 related~~ supply chain and logistics challenges; • the timing of the announcement, introduction and delivery of new products or product upgrades by us and by our competitors; • timing and level of expenditures associated with expansion of sales and marketing activities such as trade shows and our overall operations; • the timing and level of expenditures associated with our financing activities; • the effects of foreign currency adjustments; • changes in accounting principles, such as those related to revenue recognition, or in the interpretation or the application thereof; and • fluctuations in our gross margins and the factors that contribute to such fluctuations, as described in Management' s Discussion and Analysis of Financial Condition and Results of Operations and the risk factor entitled, " Our ability to achieve profitability depends in part on maintaining or increasing our gross margins on product sales and services, which we may not be able to achieve. " Because many of our operating expenses are based on anticipated sales and a high percentage of these expenses are fixed for the short term, a small variation in the timing of revenue recognition can cause significant variations in operating results from quarter to quarter. If our financial results fall below the expectation of securities analysts and investors, the trading price of our common stock would almost certainly decline. We report our orders and backlog on a quarterly and annual basis. Unlike revenues, orders and backlog are not defined by **United States generally accepted accounting principles (“** U. S. GAAP **”)** , and are not within the scope of the audit conducted by our independent registered public accounting firm. Also, for the reasons discussed in Management' s Discussion and Analysis of Financial Condition and Results of Operations, our orders and backlog cannot necessarily be relied upon as accurate predictors of future revenues. Order cancellation or significant delays in installation date will reduce our backlog and future revenues, and we cannot predict if or when orders will mature into revenues. ~~In addition, we have experienced an increase in cancellations beyond historical levels due to the uncertainties surrounding the effects of the COVID- 19 pandemic.~~ Particularly high levels of cancellations or age ~~-~~ **-** outs in one or more periods may cause our revenue and gross margins to decline in current or future periods and will make it difficult to compare our operating results from quarter to quarter. We cannot assure you that our backlog will result in revenue on a timely basis or at all, or that any cancelled contracts will be replaced. Our industry is subject to intense competition and rapid technological change, which may result in products or new tumor treatments that are superior to the CyberKnife and TomoTherapy platforms. If we are unable to anticipate or keep pace with changes in the marketplace and the direction of technological innovation and customer demands, our products may become obsolete or less useful and our operating results will suffer. The medical device industry in general and the non - invasive cancer treatment field in particular are subject to intense and increasing competition and rapidly evolving technologies. Because our products often have long development and government approval cycles, we must anticipate changes in the marketplace and the direction of technological innovation and customer demands. To compete successfully, we will need to continue to demonstrate the advantages of our products and technologies over well - established alternative procedures, products and technologies, and convince physicians and other healthcare decision makers of the advantages of our products and technologies. Traditional surgery and other forms of minimally invasive procedures, brachytherapy, chemotherapy or other drugs remain alternatives to the CyberKnife and TomoTherapy platforms. We consider the competition for the CyberKnife and TomoTherapy platforms to be existing radiation therapy systems, primarily using C - arm linacs, which are sold by large, well - capitalized companies with significantly greater market share and resources than we have. Several of these competitors are also able to leverage their fixed sales, service and other costs over multiple products or product lines. In particular, we compete with a number of existing radiation therapy equipment companies, including Varian **Medical Systems, Inc.** , a Siemens Healthineers company **(“ Varian ”)** , Elekta AB (“ Elekta ”) ~~, ViewRay, Inc.~~ , RefleXion Medical Inc. and Zap Surgical Systems. Varian has been the leader in the external beam radiation therapy market for many years and has the majority market share for radiation therapy systems worldwide. In general, because of aging demographics and attractive market factors in oncology, we believe that new competitors will enter the radiosurgery and radiation therapy markets

in the years ahead. In addition, some manufacturers of conventional linac based radiation therapy systems, including Varian and Elekta, have products that can be used in combination with body and / or head frames and image guidance systems to perform both radiosurgical and radiotherapy procedures. ~~In May 2017,~~ Varian ~~launched a radiation therapy product called Halcyon~~ **was acquired by Siemens Healthineers in 2021,** which **may result** ~~they have positioned against our TomoTherapy platform. Additionally,~~ in ~~September 2019,~~ Varian **having greater resources** ~~introduced a related device called Ethos, designed to allow on- couch adaptation~~ and ~~treatment monitoring~~ **increase their ability to develop new products and technologies and provide better pricing to customers** . Furthermore, many government, academic and business entities are investing substantial resources in research and development of cancer treatments, including surgical approaches, radiation treatment, MRI - guided radiotherapy systems, proton therapy systems, drug treatment, gene therapy (which is the treatment of disease by replacing, manipulating, or supplementing nonfunctional genes) and other approaches. Successful developments that result in new approaches for the treatment of cancer could reduce the attractiveness of our products or render them obsolete. Our future success will depend in large part on our ability to establish and maintain a competitive position in current and future technologies. Rapid technological development may render the CyberKnife and TomoTherapy platforms and their technologies obsolete. Many of our competitors have or may have greater corporate, financial, operational, sales and marketing resources, and more experience and resources in research and development than we have. We cannot assure you that our competitors will not succeed in developing or marketing technologies or products that are more effective or commercially attractive than our products or that would render our technologies and products obsolete or less useful. We may not have the financial resources, technical expertise, marketing, distribution or support capabilities to compete successfully in the future. In addition, some of our competitors may compete by changing their pricing model or by lowering the price of their products. If we are unable to maintain or increase our selling prices, our revenue and gross margins may suffer. Our success will depend in large part on our ability to maintain a competitive position with our technologies. In addition to competition from technologies performing similar functions as our platforms, competition also exists for the limited capital expenditure budgets of our customers. For example, our platforms may compete with other equipment required by a radiation therapy department for financing under the same capital expenditure budget, which is typically limited. A purchaser, such as a hospital or cancer treatment center, may be required to select between the two items of capital equipment. Our ability to compete may also be adversely affected when purchase decisions are based solely upon price, since our products are premium - priced systems due to their higher level of functionality and performance. We ~~are subject to risks arising from our international operations, which may adversely affect our business, financial condition, and results of operations. We~~ derive **most** ~~a majority~~ of our revenue from our international operations, and we plan to continue expanding our business in international markets in the future. In addition, we have employees engaged in R & D, manufacturing, administration, manufacturing, support and sales and marketing activities. ~~•~~ As a result of our international operations, in addition to similar risks we face in our U. S. operations, we are affected by economic, business, regulatory, social, and political conditions in foreign countries, including the following: • economic or political instability in the world or in particular regions or countries in which we do business, including the market volatility resulting from the COVID- 19 ~~pandemic~~ **related restrictions** and ~~,~~ conflicts or war, such as the war in Ukraine; • import delays; • changes in foreign laws and regulations governing, among other matters, the clearance, approval and sales of medical devices; • compliance with differing foreign regulatory requirements to sell and market our products; • **U. S. relations with the governments of the foreign countries in which we operate, which may, among other things, affect our access to such markets, including China, where our JV is located; •** longer payment cycles associated with many customers outside the United States; • inability of customers to obtain requisite government approvals, such as customers in China, including customers of the JV, obtaining one of the limited number of Class A or Class B user licenses available in order to purchase our products; • effective compliance with privacy, data protection and information security laws, such as the European Union **(" EU ")** General Data Protection Regulation (the " GDPR ") and new regulations in China; • adequate coverage and reimbursement for the CyberKnife and TomoTherapy platform treatment procedures outside the United States; • failure of local laws to provide the same degree of protection against infringement of our intellectual property; • protectionist laws and business practices that favor local competitors; • U. S. trade and economic sanctions policies that are in effect from time to time and the possibility that foreign countries may impose additional taxes, tariffs or other restrictions on foreign trade; • trade restrictions that are in effect from time to time, including U. S. prohibitions and restrictions on exports of certain products and technologies to certain nations and customers; • the unfamiliarity of shipping companies and other logistics providers with U. S. export control laws, which may lead to their unwillingness to ship or delays in shipping, our products to certain nations and customers despite such shipments being permitted under such laws; • ~~U. S. relations with the governments of the foreign countries in which we operate; •~~ the inability to obtain required export or import licenses or approvals; • risks relating to foreign currency, including fluctuations in foreign currency exchange rates possibly causing fewer sales due to the strengthening of the U. S. Dollar; • effects of and uncertainties caused by the United Kingdom' s withdrawal from the European Union; • contractual provisions governed by foreign laws; and • natural disasters, such as earthquakes and fires, and global or regional health pandemics or epidemics, such as COVID- 19 ~~,~~ or data privacy or security incidents, that may have a disproportionate effect in certain geographies resulting in decreased demand or decreased ability of our employees or employees of our customers and partners to work and travel. Our inability to overcome these obstacles could harm our business, financial condition and operating results. Even if we are successful in managing these obstacles, our partners internationally are subject to these same risks and may not be able to manage these obstacles effectively. In addition, our partners internationally are subject to these same risks. If we or our partners are impacted by any of these factors, our business, financial condition and operating results could be adversely affected **.Our results may be impacted by changes in** foreign currency exchange rates.Currently,the majority of our international sales are denominated in U.S.Dollars.As a result,an increase in the value of the U.S.Dollar relative to foreign currencies could require us to reduce our sales price or make our products less competitive in international markets. **If** ~~Foreign~~

~~exchange continues to be a significant headwind as~~ the U.S.Dollar ~~has strengthened~~ **strengthens** ~~recently~~ , **it** ~~which affect our results of operations and~~ could cause potential delays in orders and we may see our sales ~~and margins outside of the U.S.~~ decline ~~as we may not be able to raise local prices to fully offset the strengthening of the U.S.Dollar~~ .Also,if our international sales ~~continue to~~ increase,we may enter into a greater number of transactions denominated in non - U.S.Dollars,which would **expose us to foreign currency risks,including changes in currency exchange rates.If we are unable to address these risks and challenges effectively,our international operations may not be successful and our business would be materially harmed** . Enhanced international tariffs, including tariffs imposed by the United States and China that affect our products or components within our products, other trade barriers or a global trade war could increase our costs and materially and adversely affect our business operations and financial condition. Our global business could be negatively affected by trade barriers and other governmental protectionist measures, any of which can be imposed suddenly and unpredictably. For example, following Russia' s invasion of Ukraine, the United States and other countries imposed economic sanctions and severe export control restrictions against Russia and Belarus, and the United States and other countries could impose wider sanctions and export restrictions and take other actions should the conflict further escalate. Any exports or sales of our products into Russia and Belarus may be impacted by these restrictions. There is currently significant uncertainty about the..... as increase in cyberattacks and espionage. The military conflict in Ukraine has **also** led to an unprecedented expansion of sanction programs imposed against Russia by the United States, Canada, the EU, the United Kingdom, Switzerland, and Japan, among others, that in relevant part, impose sanctions against some of the largest state- owned and private Russian financial institutions (and their subsequent removal from the Society for Worldwide Interbank Financial Telecommunication (" SWIFT ") payment system) and certain Russian businesses, some of which have significant financial and trade ties to the EU, making it increasingly difficult to transfer money from Russia to other countries. In response to new international sanctions, and as part of measures to stabilize and support the volatile Russian financial and currency markets, the Russian authorities imposed significant currency control measures aimed at restricting the outflow of foreign currency and capital from Russia, imposed various restrictions on transacting with non-Russian parties, banned exports of various products and imposed other economic and financial restrictions. If we are unable to receive payment from customers in Russia or transfer money outside of Russia, it could affect our ability to convert backlog from that region into revenue. The situation ~~is rapidly evolving~~ **continues to evolve** , and the United States, the EU, the United Kingdom and other countries may implement additional sanctions, export controls or other measures against Russia and other countries, regions, officials, individuals or industries in the respective territories. Such sanctions and measures, as well as existing and potential further responses from Russia or other countries, could adversely affect the global economy and financial markets, as well as our business, financial condition and results of operations, which may also magnify the impact of other risks described in this " Risk Factors " section. ~~We~~ There is **also** currently significant uncertainty about the future relationship between the U.S.and various other countries,most significantly China,with respect to trade policies,treaties,government regulations and tariffs.Since the beginning of 2018,there has been ~~increasing public threats and,in some cases,~~ legislative or executive action,from U.S.and foreign leaders regarding instituting tariffs against foreign imports of certain materials.During the last half of calendar year 2018,the federal government imposed a series of tariffs ranging from 10 % to 25 % on a variety of imports from China.These tariffs affect certain components,including the linear accelerator for our CyberKnife platforms,which we manufacture in China and import into the U.S.,as well as other components that we import into the U.S.from our suppliers.China has responded to these tariffs with retaliatory tariffs ranging from 5 % to 25 % on a wide range of products from the U.S.,which include certain of our products ~~.Higher duties on existing tariffs and further rounds of tariffs have been announced or threatened by the U.S.and Chinese leaders~~ .Although the U.S.and China signed an initial trade deal in January 2020 and ~~China announced a one year~~ **we have thus far been able to obtain** tariff ~~exemption~~ **exemptions** for medical linear accelerators **imported into the U.S.from China** ~~in September 2019 (which was further extended through May 31,2022 and we have submitted documentation in support of a longer- term extension)~~ ,there has been a change in **the U.S.presidential administration and,for that,and other reasons,there is no assurance that the exemption on medical linear accelerators will continue or that we will continue to qualify for such exemption.If these tariffs continue,if additional tariffs** are **placed on certain of our components or products, or if any related counter- measures are taken by China, the U. S. or other countries, our business, financial condition and results of operations may be materially harmed. The imposition of tariffs could also increase our costs and require us to raise prices on our products, which may** ~~actively~~ **negatively** ~~monitoring the situation in Ukraine and assessing its~~ impact **the demand for our products in the affected market. If we are not successful in offsetting the impact of any such tariffs, our revenue, gross margins and operating results may be adversely affected. These tariffs are subject to a number of uncertainties as they are implemented, including future adjustments and changes. The ultimate reaction of other countries and the impact of these tariffs or other actions** on ~~our business, including our business partners and customers, although our business operations involving Russia and Ukraine do not constitute a material portion of our business. However,~~ the **U. S.** ~~extent and duration of the military action~~ , ~~sanctions and resulting market disruptions could be significant and could potentially have substantial impact on~~ the global economy and our business **, financial condition and results of operations, cannot be predicted at this time, nor can we predict the impact of any other developments with respect to global trade. Further, the imposition of additional tariffs by the U. S. could result in the adoption of additional tariffs by other countries, as well as further retaliatory actions by any affected country. Any resulting trade war could negatively impact the global market** for **medical devices, including radiation therapy devices,** ~~an~~ **and** ~~unknown period~~ **could have a significant adverse effect on our business. These developments may have a material adverse effect on global economic conditions and the stability** of ~~time~~ **global financial markets, and they may significantly reduce global trade. Any of these factors could depress economic activity, restrict our access to customers and have a material adverse effect on our business, financial condition and results of operations** . The CyberKnife and TomoTherapy platforms are complex and require the integration of a number of components from several sources of supply. We must

manufacture and assemble these complex systems in commercial quantities in compliance with regulatory requirements and at an acceptable cost. Our linear accelerator components are extremely complex devices and require significant expertise to manufacture, and we may encounter difficulties in scaling up production of the CyberKnife or TomoTherapy platforms, including problems with quality control and assurance, component supply shortages, increased costs, shortages of qualified personnel, the long lead time required to develop additional radiation shielded facilities for purposes of testing our products and / or difficulties associated with compliance with local, state, federal and foreign regulatory requirements. In addition, the **macroeconomic environment and the** COVID- 19 pandemic has and may continue to impact the supply of key components such that we may not receive them in a timely manner, in sufficient quantities, or at a reasonable cost. ~~We~~ **In addition, as a result of COVID- related restrictions in China, we** may also experience limitations in the availability of qualified personnel ~~as a result of shelter- in- place rules, quarantine requirements, or illness~~ . If component supply or our manufacturing capacity does not keep pace with demand, we will not be able to fulfill product orders or service our products in a timely manner, which in turn may have a negative effect on our financial results and overall business. Conversely, if demand for our products decreases, the fixed costs associated with excess manufacturing capacity may adversely affect our financial results. Our manufacturing processes and the manufacturing processes of our third - party suppliers are required to comply with the FDA' s Quality System Regulations (" QSR ") for any products imported into, or sold within, the U. S. The QSR is a complex regulatory scheme that covers the methods and documentation of the design, testing, production process and controls, manufacturing, labeling, quality assurance, packaging, storage and shipping of our products. Furthermore, we are required to verify that our suppliers maintain facilities, procedures and operations that comply with our quality requirements. We are also subject to state licensing and other requirements and licenses applicable to manufacturers of medical devices, and we are required to comply with International Organization for Standardization (" ISO "), quality system standards in order to produce products for sale in Europe and Canada, as well as various other foreign laws and regulations. Because our manufacturing processes include the production of diagnostic and therapeutic X - ray equipment and laser equipment, we are subject to the electronic product radiation control provisions of the Federal Food, Drug and Cosmetic Act, which requires that we file reports with the FDA, applicable states and our customers regarding the distribution, manufacturing and installation of these types of equipment. The FDA enforces the QSR and the electronic product radiation control provisions through periodic inspections, some of which may be unannounced. We have been and anticipate in the future being subject to such inspections. FDA inspections usually occur every two to three years. During such inspections, the FDA may issue Inspectional Observations on Form FDA 483, listing instances where the manufacturer has failed to comply with applicable regulations and procedures, or warning letters. If a manufacturer does not adequately address the observations, the FDA may take enforcement action against the manufacturer, including the imposition of fines, restriction of the ability to export product, total shutdown of production facilities and criminal prosecution. If we or a third - party supplier receive a Form FDA 483 with material or major observations that are not promptly corrected, fail to pass a QSR inspection, or fail to comply with these, ISO and other applicable regulatory requirements, our operations could be disrupted and our ability to generate sales could be delayed. Our failure to take prompt and satisfactory corrective action in response to an adverse inspection or our failure to comply with applicable standards could result in enforcement actions, including a public warning letter, a shutdown of our manufacturing operations, a recall of our products, civil or criminal penalties, or other sanctions, which would cause our sales and business to suffer. In addition, because some foreign regulatory approvals are based on approvals or clearances from the FDA, any failure to comply with FDA requirements may also disrupt our sales of products in other countries. We cannot assure you that the FDA or other governmental authorities would agree with our interpretation of applicable regulatory requirements or that we or our third - party suppliers have in all instances fully complied with all applicable requirements. If any of these events occur, our reputation could be harmed, we could lose customers and there could be a material adverse effect on our business, financial condition and results of operations. If we cannot achieve the required level and quality of production, we may need to outsource production or rely on licensing and other arrangements with third parties who possess sufficient manufacturing facilities and capabilities in compliance with regulatory requirements. Even if we could outsource needed production or enter into licensing or other third - party arrangements, this could reduce our gross margin and expose us to the risks inherent in relying on others. We also cannot assure you that our suppliers will deliver an adequate supply of required components on a timely basis or that they will adequately comply with the QSR. Failure to obtain these components on a timely basis would disrupt our manufacturing processes and increase our costs, which would harm our operating results. Our success depends on the successful development, regulatory clearance or approval, introduction and commercialization of new generations of products, treatment systems, and enhancements to and / or simplification of existing products that will meet our customers' needs provide novel features and compete favorably in the market. The CyberKnife and TomoTherapy platforms, which are currently our principal products, are technologically complex and must keep pace with, among other things, the products of our competitors and new technologies. We are making significant investments in long - term growth initiatives. Such initiatives require significant capital commitments, involvement of senior management and other investments on our part, which we may be unable to recover. Our timeline for the development of new products or enhancements may not be achieved and price and profitability targets may not prove feasible. Commercialization of new products may prove challenging, and we may be required to invest more time and money than expected to successfully introduce them. Once introduced, new products may adversely impact orders and sales of our existing products or make them less desirable or even obsolete. Compliance with regulations, competitive alternatives, and shifting market preferences may also impact the successful implementation of new products or enhancements. Our inability to develop, gain regulatory approval for or supply competitive products to the market as quickly and effectively as our competitors could limit market acceptance of our products and reduce our sales. **In addition, we depend on one of our customers for a substantial portion of our revenue, and the loss of, or a significant reduction in orders from our major customer could have a material adverse effect on our revenue and operating results. We had one customer that represented 10 % or**

more of total net revenue for the years ended June 30, 2023, 2022, and 2021, respectively. In the future, our major customer may decide not to purchase our products at all, may purchase fewer products than they did in the past, or may defer or cancel purchases or otherwise alter their purchasing patterns. Our ability to successfully develop and introduce new products, treatment systems and product enhancements and simplifications, and the revenues and costs associated with these efforts, will be affected by our ability to: • properly identify and address customer needs; • prove feasibility of new products in a timely manner; • educate physicians about the use of new products and procedures; • comply with internal quality assurance systems and processes timely and efficiently; • manage the timing and cost of obtaining regulatory approvals or clearances; • accurately predict and control costs associated with inventory overruns caused by phase - in of new products and phase - out of old products; • price new products competitively; • manufacture and deliver our products in sufficient volumes on time and accurately predict and control costs associated with manufacturing, installation, warranty and maintenance of the products; • meet our product development plan and launch timelines; • enter into collaborations with third parties. For example, a key component of our research and development program is our collaboration with research programs at selected hospitals, cancer treatment centers, academic institutions and research institutions worldwide; • improve manufacturing yields of components; and • manage customer demands for retrofits of both old and new products. Even if customers accept new products or product enhancements, the revenues from these products may not be sufficient to offset the significant costs associated with making them available to customers. We cannot be sure that we will be able to successfully develop, obtain regulatory approval or clearance for, manufacture or introduce new products, treatment systems or enhancements, the roll - out of which involves compliance with complex quality assurance processes, including QSR. Failure to obtain regulatory approval or clearance for our products or to complete these processes in a timely and efficient manner could result in delays that could affect our ability to attract and retain customers, or could cause customers to delay or cancel orders, causing our backlog, revenues and operating results to suffer. In order to implement our business strategy, we expect continued growth in our infrastructure requirements, particularly as we expand into new and growing markets as well as expand our manufacturing capacities and sales and marketing capabilities. To manage our growth, we must expand our facilities, augment our management, operational and financial systems, hire and train additional qualified personnel, scale - up our manufacturing capacity and expand our marketing and distribution capabilities, all of which will be more difficult to accomplish the ~~longer~~ **more employees we have** that ~~our employees must~~ work remotely from home. Our manufacturing, assembly and installation process is complex and occurs over many months and we must effectively scale this entire process to satisfy customer expectations and changes in demand. Further, to accommodate our growth and compete effectively, we will be required to make improvements to our business operations. We cannot be certain that our personnel, systems, procedures and internal controls will be adequate to support our future operations and any expansion of our systems and infrastructure may require us to commit significant additional financial, operational and management resources. If we cannot manage our growth effectively, our business will suffer. Our business exposes us to potential liability risks that are inherent in the manufacturing, marketing, sale, installation, servicing, and support of medical device products. We may be held liable if one of our CyberKnife or TomoTherapy platforms or our **software, including the** Precision Treatment Planning with iDMS Data Management System software causes or contributes to injury or death or is found otherwise unsuitable during usage. Our products incorporate sophisticated components and computer software. Complex software can contain errors, particularly when first introduced. In addition, new products or enhancements may contain undetected errors or performance problems that, despite testing, are discovered only after installation. Because our products are designed to be used to perform complex surgical and therapeutic procedures involving delivery of radiation to the body, defects, even if small, could result in a number of complications, some of which could be serious and could harm or kill patients. Any alleged weaknesses in physician training and services associated with our products may result in unsatisfactory patient outcomes and product liability lawsuits. It is also possible that defects in the design, manufacture or labeling of our products might necessitate a product recall or other field corrective action, which may result in warranty claims beyond our expectations and may harm our reputation and create adverse publicity. A product liability claim, regardless of its merit or eventual outcome, could result in significant legal defense costs that may not be covered by insurance and be time- consuming to defend. We may also be subject to claims for personal injury, property damage or economic loss related to, or resulting from, any errors or defects in our products, or the installation, servicing and support of our products, or any professional services rendered in conjunction with our products. Adverse publicity related to any product liability actions may cause patients to be less receptive to radiation therapy generally or our products specifically and could also result in additional regulation that could adversely affect our ability to promote, manufacture and sell our products. The coverage limits of our insurance policies may not be adequate to cover future claims. If sales of our products increase or we suffer future product liability claims, we may be unable to maintain product liability insurance in the future at satisfactory rates or with adequate amounts of coverage. A product liability claim, any product recalls or other field actions or excessive warranty claims, whether arising from defects in design or manufacture or labeling, could negatively affect our sales or require a change in the design, manufacturing process or the indications for which our systems or software may be used, any of which could harm our reputation and business and result in a decline in revenue. In addition, if a product we designed or manufactured is defective, whether because of design or manufacturing, supplied parts, or labeling defects, improper use of the product or other reasons, we may be required to notify regulatory authorities and / or to recall the product, possibly at our expense. We have voluntarily initiated recalls and other product corrections in the past. For example, although we ~~have~~ **did** not ~~initiated~~ **initiate** any product recalls that were reportable to the FDA in fiscal year ~~2022~~ **2023** ~~,~~ **;** in fiscal year 2021, we voluntarily initiated one recall related to the TomoTherapy platform and one recall on the CyberKnife platform ~~, both~~ **; and at the beginning** of **fiscal year 2024, we voluntarily initiated one recall related to the Radixact platform,** which were reported to the FDA. We are committed to the safety and precision of our products and while no serious adverse health consequences have been reported in connection with these recalls and the costs associated with each such recall were not material, we cannot ensure that the FDA will not require that we take additional actions to address problems

that resulted in previous recalls or that similar or more significant product recalls will not occur in the future. A required notification of a correction or removal to a regulatory authority or recall could result in an investigation by regulatory authorities of our products, which could in turn result in required recalls, restrictions on the sale of the products or other civil or criminal penalties. The adverse publicity resulting from any of these actions could cause customers to review and potentially terminate their relationships with us. These investigations, corrections or recalls, especially if accompanied by unfavorable publicity, patient injury or termination of customer contracts, could result in incurring substantial costs, losing revenues and damaging our reputation, each of which would harm our business. Our reliance on single - source suppliers for critical components of the CyberKnife and TomoTherapy platforms could harm our ability to meet demand for our products in a timely and cost effective manner. We currently depend on single ~~-~~source suppliers for some of the critical components necessary to assemble the CyberKnife and TomoTherapy platforms, including, with respect to the CyberKnife platform, the robot, couch and magnetron and, with respect to the TomoTherapy platforms, the couch, solid state modulator and magnetron. In addition, as a result of global supply chain disruptions, we have experienced and continue to experience disruptions in parts of our supply chain, which has caused delays in the receipt of certain component parts for our products and increased pricing pressure for such parts, including with respect to parts purchased from our single- source suppliers, adversely affecting our gross margins in the near term, and increasing the risk that these supply chain disruptions could materially affect our ability to meet customer demand. Furthermore, as a result of the effects of the **macroeconomic conditions, including inflation, the** COVID- 19 pandemic and associated supply chain challenges, some of our suppliers have limited or reduced the sale of such components to us or increased the cost of certain components to us. If these conditions worsen, or if these suppliers were to experience financial difficulties, additional supply chain or other problems that prevents them from supplying us with the necessary components, we could fail to meet product demand, which could have a material adverse effect on our business, financial condition and results of operations. These sole source and other suppliers could also be subject to quality and performance issues, materials shortages, excess demand, reduction in capacity and other factors that may disrupt the flow of goods to us; thereby adversely affecting our business and customer relationships. If any single - source supplier was to cease delivering components to us or fail to provide the components to our specifications and on a timely basis, we might be required to find alternative sources for these components. The disruption or termination of the supply of components, including as a result of global shortages in important components, have resulted in, and will continue to cause **,** inflationary pressure on our supply chain and ~~could cause~~ a significant increase in the costs of these components, which **have materially affected and** could **continue to adversely** affect our results of operations. In some cases, alternative suppliers may be located in the same geographic area as existing suppliers, and are thus subject to the same economic, political and geographic factors that may affect existing suppliers to meet our demand. We may have difficulty or be unable to find alternative sources for these components. Difficulties in obtaining a sufficient supply of component materials continue to increase, and we expect such difficulties to persist at least through the remainder of **fiscal** ~~the calendar~~ year ~~of 2022~~ **2024** , if not longer. As a result, we may be unable to meet the demand for the CyberKnife or TomoTherapy platforms, which could harm our ability to generate revenue and damage our reputation. Even if we do find alternate suppliers, we will be required to qualify any such alternate suppliers and we would likely experience a lengthy delay in our manufacturing processes or a cessation in production, which would result in delays of shipment to end users. We cannot assure you that our single - source suppliers will be able or willing to meet our future demands. We generally do not maintain large volumes of inventory, which makes us even more susceptible to harm if a single ~~-~~source supplier fails to deliver components on a timely basis, and maintaining our historical levels of inventory has been adversely impacted by the COVID- 19 pandemic **and macroeconomic environment** . Furthermore, if we are required to change the manufacturer of a critical component of the CyberKnife or TomoTherapy platforms, we will be required to verify that the new manufacturer maintains facilities, procedures and operations that comply with our quality and applicable regulatory requirements and guidelines, which could further impede our ability to manufacture our products in a timely manner. If the change in manufacturer results in a significant change to the product, a new 510 (k) clearance would be necessary, which would likely cause substantial delays. The disruption or termination of the supply of key components for the CyberKnife or TomoTherapy platforms could harm our ability to manufacture our products in a timely manner or within budget, harm our ability to generate revenue, lead to customer dissatisfaction and adversely affect our reputation and results of operations. Failures of components also affect the reliability and performance of our products, can reduce customer confidence in our products, and may adversely affect our financial performance. From time to time, we may receive components that do not perform according to their specifications, which could result in the inability of such customer utilize our systems in their practices until such components are replaced. Any future difficulty in obtaining reliable component parts could result in increased customer dissatisfaction and adversely affect our reputation, our ability to protect and retain our installed base of customers and results of operations. Our operating results could be materially impacted..... to continue to grow our business. We are highly dependent on the members of our senior management, sales, marketing, operations and research and development staff. Our future success will depend in part on our ability to retain our key employees and to identify, hire and retain additional personnel. Competition for qualified personnel in the medical device industry is intense and finding and retaining qualified personnel with experience in our industry is very difficult ~~. Further, the continuing or recurring restrictions placed on recruiting, training and retention by the ongoing COVID- 19 pandemic may further exacerbate these conditions and interfere with our ability to find and retain qualified personnel~~ . We believe there are only a limited number of individuals with the requisite skills to serve in many of our key positions and we face significant competition for key personnel and other employees, ~~particularly in the San Francisco Bay Area where our headquarters is located,~~ from other medical equipment and software manufacturers, technology companies, universities and research institutions **. Fluctuations in labor availability globally, including labor shortages and staff burnout and attrition, may also impact our ability to hire and retain personnel critical to our manufacturing, logistics, and commercial operations** . As a result, we may not be able to retain our existing employees or hire new employees quickly

enough to meet our needs. Moreover, we have in the past conducted reductions in force in order to optimize our organizational structure and reduce costs, and certain senior personnel have also departed for various reasons. **For example, in December 2022, we reduced the global workforce by four and half percent.** At the same time, we may face high turnover **among employees that are critical to our ongoing operations** , requiring us to expend time and resources, including financial resources, to source, train and integrate new employees. The challenging markets in which we compete for talent may also require us to invest significant amounts of cash and equity to attract and retain employees. In addition, a significant portion of our compensation to our key employees is in the form of stock related grants. A prolonged depression in our stock price could make it difficult for us to retain our key and other employees and recruit additional qualified personnel and we may have to pay additional compensation to employees to incentivize them to join or stay with us. We do not maintain, and do not currently intend to obtain, key employee life insurance on any of our personnel. If we fail to hire and retain key personnel and other employees, we may be unable to continue to grow our business successfully. Disruption of critical information technology systems, infrastructure and data or cyberattacks or other security breaches or incidents could harm our business and financial condition. Information technology helps us operate more efficiently, interface with customers, maintain financial accuracy and efficiency and accurately produce our financial statements. If we do not allocate and effectively manage the resources necessary to build, sustain and secure the proper technology infrastructure, we could be subject to transaction errors, processing inefficiencies, the loss of customers, business disruptions or the loss, unavailability of or damage to **data and** intellectual property through a cyberattack (including ransomware and other attacks) or other security breach or incident. While management is committed to identifying and improving data security risks through oversight of data security by our Chief Information Security Officer and implementation of various technical safeguards, procedural requirements and policies, regardless of the resources we allocate and the effectiveness with which we manage them, we face a risk of cyberattacks and other security breaches and incidents. Any cyberattacks or other security breaches or incidents we suffer could expose us to a risk of lost **, unavailable,** or corrupted information, ~~unavailability of information,~~ unauthorized disclosure **or other processing** of information, claims, litigation and possible liability to employees, customers and others, and investigations and proceedings by regulatory authorities. ~~In addition, we have moved some of our data and information to a cloud computing system, where applications and data are hosted, accessed and processed through a third party provider over a broadband internet connection. Consequently, we are dependent on the security measures of the provider of this cloud computing system, and we may also utilize third- party providers for other services such as human resources, electronic communications and financial functions. There have been and may continue to be significant attacks on certain third- party providers, and we cannot guarantee that our or our third- party providers' systems and networks have not been breached or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us and our platform. Further, we could be subject to outages, cyberattacks, and other security breaches and incidents suffered by the third party service provider. Currently, during the COVID- 19 pandemic, more of our personnel and the personnel of our service providers are working remotely, which increases the risks of security breaches and cyberattacks.~~ Additionally, ~~cybersecurity researchers have observed increased~~ cyberattack activity **may be** ~~, and warned of~~ heightened ~~risks of cybersecurity attacks,~~ in connection with the military conflict in Ukraine. In addition to potential exposure to cyberattacks, security incidents, or other actions that may compromise the security of or interfere with the function of our products, defects or vulnerabilities in the software or systems of our third party vendors may expose failures in our internal controls and risk management processes, which may adversely impact our business, financial condition, results of operations, or cash flows and may also harm our reputation, brand, and customer relationships **.** If our data management systems or those of our third- party providers do not effectively collect, store, process and report relevant data for the operation of our business, whether due to equipment malfunction or constraints, software deficiencies, computer viruses, security breaches **or incidents** , cyberattacks, catastrophic events or human error, our ability to effectively plan, forecast and execute our business plan and comply with applicable laws and regulations will be impaired, perhaps materially. Any such impairment could materially and adversely affect our financial condition, results of operations, cash flows and the timeliness with which we internally and externally report our operating results. As a result, our information systems require an ongoing commitment of significant resources to maintain, protect, and enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving legal and regulatory standards, the increasing need to protect patient and customer information, and the information technology needs associated with our changing products and services. There can be no assurance that our process of consolidating the number of systems we operate, upgrading and expanding our information systems capabilities, continuing our efforts to build security into the design of our products, protecting and enhancing our systems and developing new systems to keep pace with continuing changes in information processing technology will be successful or that additional systems issues will not arise in the future, or that we will not suffer from disruptions or other systems issues even if we devote substantial resources and personnel to these efforts. In addition, privacy and security breaches and incidents arising from errors, malfeasance or misconduct by employees, contractors or others with permitted access to our systems may pose a risk that sensitive data, including individually identifiable data, may be exposed to unauthorized ~~person~~ **persons** or to the public and may compromise our security systems. There can be no assurance that any efforts we make to prevent against such privacy or security breaches or incidents **have been or** will **be able to** prevent breakdowns or breaches or incidents in our systems or those of our third- party service providers that could adversely affect our business. Third parties may also attempt to fraudulently induce employees or customers into disclosing user names, passwords or other sensitive information, which may in turn be used to access our information technology systems. For example, our employees have received in the past and likely will continue to receive " phishing " e- mails attempting to induce them to divulge sensitive information. **We may also face increased cybersecurity risks due to our reliance on internet technology and many of our employees working remotely at least part of the time, which may create additional opportunities for cybercriminals to exploit vulnerabilities.** In addition, unauthorized persons

may attempt to hack into our products or systems to obtain personal data relating to patients or employees, our confidential or proprietary information or confidential information we hold on behalf of third parties, which, if successful, could pose a risk of loss, unavailability, or corruption of, or unauthorized access to or acquisition of, data, risk to patient safety and risk of product recall. **The** ~~As the~~ techniques used to obtain unauthorized access to our systems change frequently and may be difficult to detect, **and** we may not be able to anticipate and prevent these intrusions or mitigate them when they occur. Third- party service providers store and otherwise process certain personal data and other confidential or proprietary information of ourselves and third parties on our behalf, and these service providers face similar risks. Moreover, we manufacture and sell hardware and software products that allow our customers to store confidential information about their patients. Both types of products are often connected to and reside within our customers' information technology infrastructures. We do not have measures to configure or secure our customers' equipment or any information stored in our customers' systems or at their locations, which is the responsibility of our customers. Our customers are also continually updating their cybersecurity standards for the products that they purchase. While we have implemented security measures designed to protect our hardware and software products from unauthorized access and cyberattacks, these measures may not meet the standards set by our customers or be effective in securing these products, particularly since techniques used to obtain unauthorized access, or to sabotage systems, change frequently and may not be recognized until launched against a target. A network security or systems security breach ~~or~~ **of** incident suffered by ourselves or our third- party service providers or other events that cause the loss or unauthorized use or disclosure of, or access by third parties to, sensitive information stored by us or our customers **could result in loss, unavailability, or unauthorized acquisition, modification, or other processing of data, and any such events** , or the perception that these events have occurred or that our security measures for our products are lacking, could have serious negative consequences for our business, including ~~loss of information,~~ indemnity obligations, possible fines, penalties and damages, reduced demand for our products and services, an unwillingness of our customers to use our products or services, harm to our reputation and brand, and time consuming and expensive litigation, any of which could have an adverse effect on our financial results. **Due** ~~To date, we have not experienced any material impact~~ to ~~the business or operations resulting from data, cybersecurity attacks or other security breaches; however, because of the~~ frequently changing attack techniques, along with the increased volume and sophistication of the attacks, including the increasing use of tools and techniques that are designed to circumvent controls, avoid detection, and remove or obfuscate forensic evidence, all of which hinders our ability to identify, investigate, and recover from incidents, ~~there is the potential that~~ we could be adversely impacted **by cybersecurity attacks or other security breaches** . This impact could result in reputational, competitive, operational, or other business harm as well as financial costs and **claims, demands, litigation and** regulatory action. While we do maintain insurance coverage that is intended to address certain aspects of data security risks, such insurance coverage may be insufficient to cover all losses or all types of claims that may arise. **Any actual or perceived failure by us to comply with legal or regulatory requirements related to privacy, cybersecurity and data protection in one or multiple jurisdictions could result in proceedings, actions or penalties against us.** There are numerous state, federal and foreign laws, regulations, decisions and directives regarding privacy and the collection, storage, transmission, use, processing, disclosure and protection of ~~personally~~ -- **personal** ~~identifiable~~ information and ~~other personal, customer or~~ other data, the scope of which is continually evolving and subject to differing interpretations. Our worldwide operations mean that we are subject to privacy, cyber security and data protection laws and regulations in many jurisdictions to varying degrees, and that some of the data we process, store and transmit may be transmitted across countries. For example, in the U. S., **privacy and security rules implementing the** Health Insurance Portability and Accountability Act (" HIPAA ") ~~privacy and security rules~~ require us as a business associate, in certain instances, to protect the confidentiality of patient health information, and the Federal Trade Commission has consumer protection authority, including regarding privacy and cyber security. In Europe, the ~~General Data Protection Regulation (" GDPR "), which went into effect in May 2018,~~ imposes several stringent requirements for controllers and processors of personal data that will increase our obligations and, in the event of violations, may impose significant fines of up to the greater of 4 % of worldwide annual revenue or € 20 million. In the UK, the Data Protection Act of 2018 and the UK GDPR ~~, which~~ collectively implement material provisions of the GDPR and provide for penalties for noncompliance of up to the greater of £ 17. 5 million or four percent of worldwide revenues. Data transfer and localization requirements also appear to be increasing and becoming more complex. With regard to transfers to the U. S. of personal data from our employees and European customers and users, both the EU- U. S. Privacy Shield and standard contractual clauses issued by the European Commission (the ~~"~~ **"** EU SCCs ~~"~~ **"**) have been subject to legal challenge. In July 2020, the Court of Justice of the European Union (" CJEU ") released a decision in the Schrems II case (Data Protection Commissioner v. Facebook Ireland, Schrems) (the " CJEU Decision "), declaring the EU- U. S. Privacy Shield invalid and imposing additional obligations in connection with the use of the EU SCCs, another mechanism for cross- border personal data transfers from the European Economic Area (" EEA "). Although the EU SCCs remain a valid means to transfer personal data from the EEA, the CJEU imposed additional obligations in connection with their use and, on June 4, 2021, the European Commission issued revised ~~the~~ EU SCCs that address certain concerns of the CJEU ~~. Existing data transfers relying on the old EU SCCs can continue to be in effect until December 27, 2022, after which the revised EU SCCs will be required for all data transfers~~ . The United Kingdom also has issued new standard contractual clauses (the ~~"~~ **"** UK SCCs ~~"~~ **"**) that became effective March 21, 2022, and which ~~also~~ are required to be implemented ~~over time~~ **. In March 2022, the EU and U. S. reached an agreement in principle on a new EU- U. S. Data Privacy Framework (" DPF "). In October 2022, the U. S. issued an executive order in furtherance of this framework, on which basis the European Commission adopted an adequacy decision with respect to the DPF in July 2023, allowing for the DPF to be implemented and available for companies to use to legitimize transfers of personal data from the E. U. to the U. S. It remains unclear, however, whether this new framework will be appropriate for us to rely upon, and it may be subject to legal challenge. Additionally, the European Commission' s adequacy decision regarding the DPF provides that the DPF will be subject to future reviews**

and may be subject to suspension, amendment, repeal, or limitations to its scope by the European Commission . The CJEU Decision, the revised EU SCCs and UK SCCs, regulatory guidance and opinions, and other developments relating to cross- border data transfer may require us to implement additional contractual and technical safeguards for any personal data transferred out of the EEA, Switzerland, and the United Kingdom, which may increase compliance costs, lead to increased regulatory scrutiny or liability, may require additional contractual negotiations, and may adversely impact our business, financial condition and operating results. Other jurisdictions have adopted laws and regulations addressing privacy, data protection, data security, or other aspects of data processing, such as data localization. For example, the People' s Republic of China **(" PRC ")** and Russia have passed laws that require individually identifiable data on their citizens to be maintained on local servers and that may restrict transfer or processing of that data if certain data quantity thresholds are triggered. Additionally, the Personal Information Protection Law (" PIPL ") of the ~~People' s Republic of China (" PRC "), was adopted on August 20, 2021, and~~ went into effect on November 1, 2021. The PIPL shares similarities with the GDPR, including extraterritorial application, data minimization, data localization, and purpose limitation requirements, and obligations to provide certain notices and rights to citizens of the PRC. The PIPL allows for fines of up to 50 million Renminbi or 5 % of a covered company' s revenue in the prior year. We may be required to modify our policies, procedures, and data processing measures in order to address requirements under these or other privacy, data protection, or cyber security regimes, and may face claims, litigation, investigations, or other proceedings regarding them and may incur related liabilities, expenses, costs, and operational losses. Further, the current U. S. administration is engaged in a comprehensive evaluation of national security concerns and other risks relating to the transfer of personally identifiable information from the United States to China, and on June 9, 2021, U. S. President ~~Joseph~~ Biden signed an executive order instituting a framework for determining national security risks of transactions that involve applications connected to governments or militaries of certain foreign adversaries or that collect sensitive personal data from U. S. consumers. In 2019, an executive order citing national security risks in the telecommunications sector served to block U. S. companies from buying Chinese- made Huawei and ZTE products. If our operations, including those involving the processing of U. S.- collected data such as medical imagery, through the JV in China, come to be perceived as a U. S. national security risk, those operations may become subject to executive orders, sanctions, or other measures. Any ban or other restriction on our transfer of data to the JV in China may increase costs as we seek operational and data processing alternatives. New and proposed privacy, cybersecurity, and data protection laws are also providing new rights to individuals and increasing the penalties associated with non- compliance. For example, the California Consumer Privacy Act (the " CCPA "), which became effective on January 1, 2020, imposes stringent data privacy and data protection requirements regarding the personal information of California residents, and provides for penalties for noncompliance of up to $ 7, 500 per violation, as well as a private right of action from individuals in relation to certain security breaches. Additionally, a new privacy law, the California Privacy Rights Act (" CPRA "), approved by California voters in November 2020, **became** ~~will go into effect~~ **effective** on January 1, 2023. The CPRA, which ~~amends the CCPA, creates additional obligations relating to California consumers' personal information beginning on January 1, 2022, with implementing regulations expected on or before July 1, 2022, and enforcement beginning July 1, 2023. The CPRA, which~~ significantly modifies the CCPA, **has** ~~could potentially result~~ **resulted** in further uncertainty and **may** require us to incur additional costs and expenses in an effort to comply. We will continue to monitor developments related to the CPRA and anticipate additional costs and expenses associated with CPRA compliance. The enactment of the CCPA, as modified by the CPRA, is prompting a wave of similar legislative developments in other states in the U. S., which could potentially create a patchwork of overlapping but different state laws. For example, ~~in March 2021,~~ Virginia **, Colorado, Utah, and Connecticut all have** enacted ~~the Virginia Consumer Data Protection Act~~ **state laws that have become, or will become, effective in 2023; Texas, Montana, Oregon, and Florida have adopted laws** that will **become effective in 2024, Iowa and Tennessee have adopted laws that will become effective in 2025; and Indiana has adopted a law that will become effective in 2026. In addition, Delaware has passed a law that is awaiting signature by its state governor and that would** go into effect **in** ~~on January 1, 2023~~ **2025** ~~, in July 2021, Colorado enacted the Colorado Privacy Act that will take effect on July 1, 2023, in March 2022 Utah enacted the Utah Consumer Privacy Act that will take effect on December 31, 2023, and in May 2022, Connecticut enacted the Act Concerning Personal Data Privacy and Online Monitoring that will take effect on July 1, 2023~~ . These new state laws share similarities with the CCPA, CPRA, and legislation proposed in other states. Additionally, the U. S. federal government is contemplating privacy legislation. We cannot fully predict the impact of the CCPA, CPRA, or other new or proposed legislation on our business or operations, but the restrictions imposed by these laws and regulations may require us to modify our data handling practices and impose additional costs and burdens, including risks of regulatory fines, litigation and associated reputational harm. In addition, U. S. and international laws that have been applied to protect consumer privacy (including laws regarding unfair and deceptive practices in the U. S. and GDPR in the EU) may be subject to evolving interpretations or applications in light of privacy developments. As a result, we may be subject to significant consequences, including penalties and fines, for any failure to comply with such laws, regulations and directives. Privacy, cyber security and data protection legislation around the world is comprehensive and complex and there has been a ~~recent~~ trend towards more stringent enforcement of requirements regarding protection and confidentiality of personal data. The restrictions imposed by such laws and regulations may limit the use and adoption of our products and services, reduce overall demand for our products and services, require us to modify our data handling practices and impose additional costs and burdens. With increasing enforcement of privacy, cyber security and data protection laws and regulations, there is no guarantee that we will not be subject to investigation, enforcement actions or other proceedings by governmental bodies or that our costs relating to privacy, data protection or cyber security laws and regulations will not increase significantly. Enforcement actions, investigations and other proceedings can be costly, require significant time and attention of management and other personnel and interrupt regular operations of our business. In addition, there has been a developing trend of civil lawsuits and class actions relating to breaches of consumer data held by large companies. While we have not been named

in any such suits, we may be in the future, including if we were to suffer a security breach or incident. Any inability to adequately address concerns relating to privacy, data protection or cyber security, even if unfounded, or **to** comply with applicable laws, regulations, policies, industry standards, contractual obligations or other legal obligations could result in additional cost and liability to us, damage our reputation, inhibit sales and adversely affect our business. Our actual or alleged failure to comply with applicable laws and regulations could result in investigation, enforcement actions or other proceedings against us, including fines and public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill (both in relation to existing customers and prospective customers), any of which could harm our business, results of operations and financial condition. If third - party payors do not provide sufficient coverage and reimbursement to healthcare providers for use of the CyberKnife and TomoTherapy platforms or if the number of patients covered by health insurance reduces, demand for our products and our revenue could be adversely affected. Our customers rely significantly on reimbursement from public and private third- party payors for CyberKnife and TomoTherapy platform procedures. Our ability to commercialize our products successfully and increase market acceptance of our products will depend in significant part on the extent to which public and private third- party payors provide adequate coverage and reimbursement for procedures that are performed with our products and the extent to which patients that are treated by our products continue to be covered by health insurance. Third- party payors may establish or change the reimbursement for medical products and services that could significantly influence the purchase of medical products and services ~~. In addition, actions by the government, downturns in the economy and other factors outside of our control could negatively affect the number of individuals covered by health insurance. For example, in connection with COVID- 19- related layoffs, many individuals have lost their employer- covered health insurance and there is uncertainty as to when or if such coverage will be re- established~~ . If reimbursement policies or other cost containment measures are instituted in a manner that significantly reduces the coverage or payment for the procedures that are performed with our products or if there is a prolonged reduction in the number of patients eligible to be treated by our products that are covered by health insurance, our revenue may decline, our existing customers may not continue using our products or may decrease their use of our products, and we may have difficulty obtaining new customers. Such actions would likely have a material adverse effect on our operating results. In addition, the Centers for Medicare and Medicaid Services (“ CMS ”) reviews reimbursement rates annually and may implement significant changes in future years, which could discourage existing and potential customers from purchasing or using our products. Further, outside of the U. S., reimbursement practices vary significantly by country. Market acceptance of our products may depend on the availability and level of coverage and reimbursement in any country within a particular time. Although we believe that the CyberKnife and TomoTherapy platforms have advantages over competing products and technologies, we do not have sufficient clinical data demonstrating these advantages for all tumor indications. In addition, we have only limited five - year patient survival rate data, which is a common long - term measure of clinical effectiveness in cancer treatment. We also have limited clinical data directly comparing the effectiveness of the CyberKnife platform to other competing platforms. Future patient studies or clinical experience may indicate that treatment with the CyberKnife platform does not improve patient survival or outcomes **relative to other platforms** . Likewise, because the TomoTherapy platform ~~have~~ **has** only been on the market since 2003, we have limited complication or patient survival rate data with respect to treatment using the systems **for all clinical indications** ~~. In addition, while the effectiveness of radiation therapy is well understood, there is a growing but still limited number of peer - reviewed medical journal publications regarding the efficacy of highly conformal treatment such as that delivered by the TomoTherapy platform~~ . If future patient studies or clinical experience do not support our beliefs that the TomoTherapy platform offer a more advantageous treatment for a wide variety of cancer types, use of the systems could fail to increase or could decrease, and our business would therefore be adversely affected. Such results could reduce the rate of reimbursement by both public and private third - party payors for procedures that are performed with our products, slow the adoption of our products by physicians, significantly reduce our ability to achieve expected revenues and could prevent us from being profitable. In addition, if future results and experience indicate that our products cause unexpected or serious complications or other unforeseen negative effects, the FDA could rescind our clearances, our reputation with physicians, patients and others may suffer and we could be subject to significant legal liability. We rely on third parties to perform ~~spare parts~~ shipping and ~~other~~ logistics functions on our behalf. ~~A failure~~ **Failures** or ~~disruption~~ **disruptions** at our logistics providers **has occurred and could continue to occur, which** would adversely impact our business. Customer service is a critical element of our sales strategy. Third ~~-~~party logistics providers store most of our spare parts inventory in depots around the world and perform a significant portion of our spare parts logistics and shipping activities. Our logistics providers may terminate their relationship with us, suffer an interruption in their business, including as a result of **macroeconomic factors or** COVID- 19, significantly increase fees for services or experience delays, disruptions or quality control problems in their operations, or we may have to change and qualify alternative logistics providers for our spare parts. For example, we have experienced **and continue to experience** delays in shipment of parts to customers as well as increased freight and logistics expenses, which **has intensified as a result of macroeconomic factors and** may intensify if **such factors** ~~the COVID- 19 pandemic~~ continues to disrupt the global supply chain. These delays and increased costs have adversely affected our gross margins and net income (loss) and we currently expect such delays and increased costs to continue through at least the remainder of **fiscal** ~~the calendar~~ year ~~of 2022~~ **2024** , if not longer. If this continues for longer than we expect or if any of the above occurs our customers may experience further delays and higher costs and our reputation, business, financial condition and results of operations, including our ability to recognize revenue, may be adversely affected. Third parties may claim we are infringing their intellectual property or that we are operating outside the scope of or violating a license or other agreement relating to their intellectual property, and we could suffer significant audit, litigation or licensing expenses, incur liabilities associated with indemnification obligations to customers, experience disruptions in the supply of components of our products or related services, or be prevented from selling our product or components of our product. The medical device industry is characterized by a substantial amount of litigation over patent and other intellectual property rights. In

particular, the field of radiation treatment of cancer is well established and crowded with the intellectual property of competitors and others. We also expect that other participants will enter the field. A number of companies in our market, as well as universities and research institutions, have issued patents and have filed patent applications that relate to the use of radiation therapy and stereotactic radiosurgery to treat cancerous and benign tumors. Determining whether a product infringes a patent involves complex legal and factual issues, and the outcome of patent litigation actions is often uncertain. We have not conducted an extensive search of patents issued to third parties, and no assurance can be given that third - party patents containing claims covering our products, parts of our products, technology or methods do not exist, have not been filed, or could not be filed or issued. Because of the number of patents issued and patent applications filed in our technical areas or fields, our competitors or other third parties may assert that our products and the methods we employ in the use of our products are covered by U. S. or foreign patents held by them. In addition, because patent applications can take many years to issue and because publication schedules for pending applications vary by jurisdiction, there may be applications now pending of which we are unaware, and which may result in issued patents that our current or future products infringe. Also, because the claims of published patent applications can change between publication and patent grant, there may be published patent applications that may ultimately issue with claims that we infringe. There could also be existing patents that one or more of our products or parts may infringe and of which we are unaware. As the number of competitors in the market for less invasive cancer treatment alternatives grows, and as the number of patents issued in this area grows, the possibility of patent infringement claims against us increases. Regardless of the merit of infringement claims, they can be time - consuming and result in costly litigation and diversion of technical and management personnel. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise funds, if necessary, to continue our operations. Also, because we purchase major components **and software** for each of our products from ~~outside~~ **third party** suppliers **and manufacturers** , we face the additional risk that infringement claims may be brought against us based on patents and other intellectual property rights that are embodied or contained in, or practiced by, those components (including software components) that we obtain from third parties, and any such claims against us, such as by our direct and indirect suppliers, may additionally allege that we are operating outside the scope of or violating a license or other agreement relating to their intellectual property **. These third party suppliers or manufacturers may terminate their licenses with us for a variety of reasons, including actual or perceived failures or breaches of contractual commitments, or they may choose not to renew their licenses with us. The loss of, or inability to obtain, certain third- party licenses or other rights, including the right to resell, or to obtain such licenses or rights on favorable terms, or the need to engage in litigation regarding these matters, could affect the operability or performance of our products until equivalent technology can be identified, licensed or developed, if at all, and integrated into our products, and it may have a material adverse effect on our business, financial condition, and results of operations** . In the event that we become subject to a patent infringement or other intellectual property lawsuit and if the relevant patents or other intellectual property were upheld as valid and enforceable and we were found to infringe or violate the terms of a license or other agreement to which we are a party, we could be subject to third- party audit, experience disruptions in the supply of third- party components or related services, or be prevented from selling our products (or components of our products) unless we obtain a license or are able to redesign the product to avoid infringement. Required licenses may not be made available to us on acceptable terms or at all. If we are unable to obtain a license or successfully redesign our system, we might be prevented from selling such system. If there is an allegation or determination that we have infringed the intellectual property rights of a competitor or other person, we may be required to pay damages, pay ongoing royalties or otherwise settle such matter upon terms that are unfavorable to us. In these circumstances, we may be unable to sell our products at competitive prices or at all, and our business and operating results could be harmed ~~. We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers~~ . As is common in the medical device industry, we employ individuals who were previously employed at other medical equipment or biotechnology companies, including our competitors or potential competitors. We may be subject to claims that we or those employees have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against claims of this nature, litigation could result in substantial costs and be a distraction to management. Our success depends significantly on our ability to obtain, maintain and protect our proprietary rights to the technologies used in our products. Patents and other proprietary rights provide uncertain protections, and we may be unable to protect our intellectual property. For example, we may be unsuccessful in defending our patents and other proprietary rights against third - party challenges. As key patents expire, our ability to prevent competitors from copying our technology may be limited. In addition, patent reform legislation or precedent could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents. In addition to patents, we rely on a combination of trade secrets, copyright and trademark laws, nondisclosure agreements and other contractual provisions and technical security measures to protect our intellectual property rights. These measures may not be adequate to safeguard the technology underlying our products, including in case of a security breach involving our intellectual property. If these measures do not protect our rights adequately, third parties could use our technology, and our ability to compete in the market would be reduced. Although we have attempted to obtain patent coverage for our technology where available and appropriate, there are aspects of the technology for which patent coverage was never sought or never received. There also may be countries in which we sell or intend to sell the CyberKnife or TomoTherapy platforms but have no patents or pending patent applications. Our ability to prevent others from making or selling duplicate or similar technologies will be impaired in those countries in which we have no patent protection. Although we have several issued patents in the U. S. and in foreign countries protecting aspects of the

CyberKnife and TomoTherapy platforms, our pending U. S. and foreign patent applications may not issue, may issue only with limited coverage or may issue and be subsequently successfully challenged by others and held invalid or unenforceable. In addition, many countries limit the enforceability of patents against certain third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country- by- country basis, which is an expensive and time consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries. Similarly, our issued patents and those of our licensors may not provide us with any competitive advantages. Competitors may be able to design around our patents or develop products which provide outcomes comparable or superior to ours. Our patents may be held invalid or unenforceable as a result of legal challenges by third parties, and others may challenge the inventorship or ownership of our patents and pending patent applications. In addition, the laws of some foreign countries, such as China where the JV operates, may not protect our intellectual property rights to the same extent as do the laws of the United States and, even if they do, uneven enforcement and procedural barriers may exist in such countries. In the event a competitor or other third party infringes upon our patent or other intellectual property rights or otherwise misappropriates such rights, enforcing those rights may be difficult and time consuming. Even if successful, litigation to enforce our intellectual property rights or to defend our patents against challenge could be expensive and time consuming and could divert our management' s attention from our core business. Damage awards resulting from successful litigation in foreign jurisdictions may not be in amounts commensurate with damage awards in the U. S. We may not have sufficient resources to enforce our intellectual property rights or to defend our patents against a challenge. In addition, we may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially valuable. Litigation also puts our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Additionally, we may provoke third parties to assert claims against us. We also license patent and other proprietary rights to aspects of our technology to third parties in fields where we currently do not operate as well as in fields where we currently do operate. Disputes with our licensees may arise regarding the scope and content of these licenses. Further, our ability to expand into additional fields with our technologies may be restricted by our existing licenses or licenses we may grant to third parties in the future. Additionally, we have written agreements with collaborators regarding the ownership of intellectual property arising from our collaborations. These agreements generally provide that we must negotiate certain commercial rights with collaborators with respect to joint inventions or inventions made by our collaborators that arise from the results of the collaboration. In some instances, there may not be adequate written provisions to address clearly the resolution of intellectual property rights that may arise from a collaboration. If we cannot successfully negotiate sufficient ownership and commercial rights to the inventions that result from our use of a third- party collaborator' s materials where required, or if disputes otherwise arise with respect to the intellectual property developed with the use of a collaborator' s technology, we may be limited in our ability to utilize these intellectual property rights. In addition, we may face claims by third parties that our agreements with employees, contractors or consultants obligating them to assign intellectual property to us are ineffective or in conflict with prior or competing contractual obligations of assignment, which could result in ownership disputes regarding intellectual property we have developed or will develop and interfere with our ability to capture the commercial value of such intellectual property. Litigation may be necessary to resolve an ownership dispute, and if we are not successful, we may be precluded from using certain intellectual property or may lose our exclusive rights in that intellectual property. Either outcome could harm our business. The policies and procedures we have in place to protect our trade secrets may not be effective in preventing misappropriation of our trade secrets by others. In addition, confidentiality agreements executed by our employees, consultants and advisors may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information in the event of unauthorized use or disclosure. Litigating a trade secret claim is expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States are sometimes less willing to protect trade secrets. Moreover, our competitors may independently develop equivalent knowledge methods and know - how. If we are unable to protect our intellectual property rights, we may be unable to prevent competitors from using our own inventions and intellectual property to compete against us and our business may be harmed. Unfavorable results of legal proceedings could materially and adversely affect our financial condition. We are and may become a party to legal proceedings, claims **, investigations, demands** and other legal matters in the ordinary course of business or otherwise including intellectual property, product liability, employment, class action, whistleblower and other litigation claims, and governmental and other regulatory investigations and proceedings. These legal proceedings, claims and other legal matters, regardless of merit, may be costly, time - consuming and require the attention of key management and other personnel. The outcomes of such matters are uncertain and difficult to predict. If any such matters are adjudicated against us, in whole or in part, we may be subject to substantial monetary damages, disgorgement of profits and injunctions that prevent us from operating our business, any of which could materially and adversely affect our business and financial condition. We cannot guarantee that our insurance coverage will be sufficient to cover any damages awarded against us. Further, legal proceedings, and any adverse resolution thereof, can result in adverse publicity and damage to our reputation, which could adversely impact our business **. Because the majority of our product revenue is derived from sales of the CyberKnife and TomoTherapy platforms, which have a long and variable sales and installation cycle, our revenues and cash flows may be volatile and difficult to predict** . Our primary products are the CyberKnife and TomoTherapy platforms. We expect to generate substantially all of our revenue for the foreseeable future from sales of and service contracts for the CyberKnife and TomoTherapy platforms. The CyberKnife and TomoTherapy platforms have lengthy sales and purchase order cycles because they are major capital equipment items and require the approval of senior management at purchasing institutions. In addition, sales to some of our customers are subject to competitive bidding or public tender processes. These approval and bidding processes can be lengthy. Selling our systems, from first contact with a potential customer to a complete order, generally spans six months to two years and involves personnel with multiple skills. The sales process in the U. S. typically begins with pre - selling activity followed by

sales presentations and other sales related activities. After the customer has expressed an intention to purchase a CyberKnife or TomoTherapy platform, we negotiate and enter into a definitive purchase contract with the customer. The negotiation of terms that are not standard for Accuray may require additional time and approvals. Typically, following the execution of the contract, the customer begins the building or renovation of a radiation - shielded facility to house the CyberKnife or TomoTherapy platform, which together with the subsequent installation of the CyberKnife or TomoTherapy platform, can take up to 24 months to complete. In order to construct this facility, the customer must typically obtain radiation device installation permits, which are granted by state and local government bodies, each of which may have different criteria for permit issuance. If a permit was denied for installation at a specific hospital or treatment center, our CyberKnife or TomoTherapy platform could not be installed at that location. In addition, some of our customers are cancer centers or facilities that are new, and in these cases, it may be necessary for the entire facility to be completed before the CyberKnife or TomoTherapy platform can be installed, which can result in additional construction and installation delays. Our sales and installations of CyberKnife and TomoTherapy platforms tend to be heaviest during the third month of each fiscal quarter. Under our revenue recognition policy, we recognize revenue attributable to a CyberKnife or TomoTherapy platform and related upgrades when control of a platform or upgrade is transferred, which generally happens when a system or upgrade is shipped, while an element of installation is deferred until performed. Events beyond our control may delay shipment or installation and the satisfaction of contingencies required to receive cash inflows and recognition of revenue associated with shipment or installation. Such events may include a delay in the construction at the customer site or customer delay in obtaining receipt of regulatory approvals such as certificates of need. In addition, ~~as a result~~ **disruption in operations** of **certain customers caused by** the COVID- 19 pandemic **or** ~~and the disruption to their~~ - **other macroeconomic factors** ~~operations, certain customers~~ have **resulted in** ~~experienced and may continue to experience~~ delays in construction, shipment or installation and some have failed to timely pay their obligations when due. If the events which are beyond our control delay the customer from obtaining funding or financing of the entire transaction, we may not be able to recognize revenue for the sale of the entire system because the collectability of contract consideration is not reasonably assured. The long sales cycle, together with delays in the shipment of CyberKnife and TomoTherapy platforms or customer cancellations that could affect our ability to recognize revenue, could adversely affect our cash flows and revenue, which would harm our results of operations and may result in significant fluctuations in our reporting of quarterly revenues **. Our historical experience indicates that some of our customers will cancel or renegotiate contracts as economic conditions change or when product offerings change during the long sales cycle. We anticipate a portion of our open contracts may never result in revenue recognition primarily due to the long sales cycle and factors outside of our control including changes in customers' needs or financial condition, changes in government or health insurance reimbursement policies or changes to regulatory requirements** . As a result of these fluctuations, it is likely that in some future quarters, our operating results will fall below the expectations of securities analysts or investors. If that happens, the market price of our stock would likely decrease. These fluctuations also mean that you will not be able to rely upon our operating results in any particular period as an indication of future performance. We depend on third - party distributors to market and distribute our products in international markets. If our distributors fail to successfully market and distribute our products, our business will be materially harmed. We have strategic relationships with a number of key distributors for sales and service of our products in certain foreign countries, including the JV in China and other third- party distributors in other regions. We cannot control the efforts and resources our third -party distributors will devote to marketing the CyberKnife or TomoTherapy platforms. Our distributors may not be able to successfully market and sell the CyberKnife or TomoTherapy platforms, including as a result of concerns regarding the COVID- 19 pandemic, may not devote sufficient time and resources to support the marketing and selling efforts and may not market the CyberKnife or TomoTherapy platform at prices that will permit the product to develop, achieve or sustain market acceptance. In some jurisdictions, we rely on our distributors to manage the regulatory process and oversee their activities such that they are in compliance with all laws that govern their activities, such as the U. S. Foreign Corrupt Practices Act (" FCPA "), and we are dependent on their ability to do so effectively. If a distributor is terminated by us or goes out of business, it may take us a period of time to locate an alternative distributor, to seek appropriate regulatory approvals and to train its personnel to market the CyberKnife or TomoTherapy platforms, and our ability to sell and service the CyberKnife or TomoTherapy platforms in the region formerly serviced by such terminated distributor could be materially and adversely affected. Any of our distributors could become insolvent or otherwise become unable to pay amounts owed to us when due. If any of these distributor relationships end and are not replaced, our revenues from product sales or the ability to service our products in the territories serviced by these distributors could be adversely affected. Any of these factors could materially and adversely affect our revenue from international markets, increase our costs in those markets or damage our reputation. If we are unable to attract additional international distributors, our international revenue may not grow. If our distributors experience difficulties, do not comply with regulatory or legal requirements that results in fines or penalties, do not actively market the CyberKnife or TomoTherapy platforms or do not otherwise perform under our distribution agreements, our potential for revenue from international markets may be dramatically reduced, and our business could be harmed. The high unit price of the CyberKnife and TomoTherapy platforms, as well as other factors, may contribute to substantial fluctuations in our operating results, which could adversely affect our stock price. Because of the high unit price of the CyberKnife and TomoTherapy platforms and the relatively small number of units shipped each quarter, each shipment of a CyberKnife or TomoTherapy platform can represent a significant percentage of our revenue for a particular quarter. Therefore, if we do not ship a CyberKnife or TomoTherapy platform when anticipated, we will not be able to recognize the associated revenue and our operating results will vary significantly from our expectations. This is of particular concern when the economic environment is volatile, such as the current economic environment. For example, during periods of severe economic volatility, such as during the COVID- 19 pandemic, we have had customers cancel or postpone orders for our CyberKnife and TomoTherapy platforms and delaying any required build - outs. These fluctuations and other potential fluctuations mean that you should not rely upon our operating results

in any particular period as an indication of future performance. As a strategy to assist our sales efforts, we may offer extended payment terms, which may potentially result in higher days sales outstanding, reduced cash flows in a particular period and greater payment defaults. We offer longer or extended payment terms for qualified customers in some circumstances. As of June 30, ~~2022~~ **2023** , customer contracts with extended payment terms of more than one year amounted to approximately 6 % of our ~~current~~ **total** accounts receivable balance. While we qualify customers to whom we offer longer or extended payment terms, their financial positions may change adversely over the longer time period given for payment ~~. In addition, as a result of the COVID- 19 pandemic and the resulting disruption to the operations of our customers, we have experienced and may continue to experience increased requests by our customers for extended payment terms as well as temporary suspensions of service and the corresponding payment obligations~~ . This may result in an increase in payment defaults, which would negatively affect our revenue. In addition, any increase in days sales outstanding could also negatively affect our cash flow. We have entered into certain relationships with collaborators, partnerships, strategic alliances, joint venture partners and other third parties, which are outside of our full control and may harm our existing business if we fail to realize the expected benefits of such relationships. We are a part of certain collaborations, partnerships, strategic alliances, joint ventures and other third- party relationships and depend in part on them to grow our business and market share. Reliance on these third parties subjects us to a number of risks, including that: • we may be required to contribute significant amounts of capital or incur losses in the initial stages of a collaboration, partnership, alliance or joint venture, particularly as selling and marketing activities increase ahead of expected long- term revenue. For example, we completed our capital contributions to the JV in the second quarter of fiscal 2020 and one system upgrade in the **first** quarter **of fiscal** ~~ended September 30, 2020~~ **2021** . Further contributions may be necessary in the future as the JV expands its operations in China in order to achieve our long- term strategy in China; • the failure of a collaboration, partnership, strategic alliance, joint venture or other third- party relationship to meet our performance and financial expectations, which could adversely impact our ability to meet internal forecasts and expectations. For example, **we have experienced losses** in **connection with our** ~~the second quarter of fiscal 2021, revenue recognized from the~~ JV ~~was lower than~~ **that has negatively impacted** ~~expected due to the JV not achieving its plan for the quarter, which adversely affected~~ our **operating results** ~~revenue and adjusted EBITDA~~ ; • the process for customers of the collaboration, partnership, alliance or joint venture to comply with local or foreign regulatory requirements that may be required to purchase our products may cause delays in the collaborator, partner, alliance partner or joint venture' s ability to conduct business. For example, any delays in the JV obtaining necessary regulatory clearances for a Class B device, in customers in China obtaining Class A or Class B user licenses or in the subsequent tender process to complete the sale could affect the JV' s expected ability to initiate sales, recognize revenue and achieve revenue and orders expectations in China; • we may not be in a position to exercise sole decision making authority regarding any collaboration, partnership, alliance or joint venture, which could result in impasses on decisions or decisions made by our partners, and our partners in such collaborations, partnerships, alliances or joint ventures may have economic or business interests that are, or may become, inconsistent with our interests; • collaborations, partnerships, alliances and joint ventures can be difficult to manage and may involve significant expense and divert the focus and attention of our management and other key personnel away from our existing businesses; • with respect to joint ventures, we may not be able to attract qualified employees, acquire customers or develop reliable supply, distribution or other partnerships; • we could face potential damage to existing customer relationships or lack of customer acceptance or inability to attract new customers as a result of certain collaborations, partnerships, alliances and joint ventures; • collaborators, partners, alliance partners and joint ventures may also operate in foreign jurisdictions with laws and regulations with which we have limited familiarity, which could adversely impact our ability to comply with such laws and regulations and may lead to increased litigation risk; and • foreign laws may offer us inadequate or less intellectual property protection relative to U. S. laws, which may impact our ability, as well as the ability of the collaborator, partner, alliance partner and joint venture, to safeguard our respective intellectual property from infringement and misappropriation. As a result of these and other factors, we may not realize the expected benefits of any collaboration, partnership, strategic alliance or joint venture or such benefits may not be realized at expected levels or within the expected time period. We may attempt to acquire new businesses, products or technologies, including forming joint ventures, and if we are unable to successfully complete these acquisitions or to integrate acquired businesses, products, technologies or employees, we may fail to realize expected benefits or harm our existing business. Our success will depend, in part, on our ability to expand our product offerings and grow our business in response to changing technologies, customer demands and competitive pressures. In some circumstances, we may determine to do so through the acquisition of complementary businesses, products or technologies rather than through internal development. The identification of suitable acquisition candidates can be difficult, time consuming, and costly, and we may not be able to successfully complete identified acquisitions. Other companies may compete with us for these strategic opportunities. In addition, even if we successfully complete an acquisition, we may not be able to successfully integrate newly acquired organizations, products or technologies into our operations or timely and effectively commence operations because the process of integration could be expensive, time consuming and may strain our resources. Furthermore, the products and technologies that we acquire may not be successful or may require significantly greater resources and investments than we originally anticipated. Implementing or acquiring new lines of business or offering new products and services within existing lines of business can affect the sales and profitability of existing lines of business or products and services, including as a result of sales channel conflicts. With respect to any acquisition, we may be unable to retain employees of acquired companies, or retain the acquired company' s customers, suppliers, distributors or other partners who are our competitors or who have close relationships with our competitors. Future acquisitions could also result in potentially dilutive issuances of equity securities or the incurrence of debt, contingent liabilities, or expenses or other charges, any of which could harm our business and affect our financial results or cause a reduction in the price of our common stock. Further, acquisition targets may also operate in foreign jurisdictions with laws and regulations with which we have limited familiarity, which could adversely impact our ability to comply with such laws and regulations and may lead to increased

litigation risk. Such laws may also offer us inadequate or less intellectual property protection relative to U. S. laws, which may impact our ability, as well as the ability of the acquisition target ~~,~~ to safeguard our respective intellectual property from infringement and misappropriation. As a result of these and other factors, we may not realize the expected benefits of any acquisition or such benefits may not be realized at expected levels or within the expected time period. The failure to successfully consummate such strategic transactions and effectively integrate and execute following such consummation may have an adverse impact on our growth, profitability, financial position and results of operations. **Our liquidity could be adversely impacted by adverse conditions in the financial markets.At June 30,2022,we had $ 88.7 million in cash and cash equivalents.The available cash and cash equivalents are held in accounts managed by third - party financial institutions and consist of cash in our operating accounts and cash invested in money market funds.To date,we have experienced no material realized losses on or lack of access to our invested cash,or cash equivalents;however,we can provide no assurances that access to our invested cash and cash equivalents will not be impacted by adverse conditions in the financial markets.At any point in time,we also have funds in our operating accounts that are with third- party financial institutions that exceed the Federal Deposit Insurance Corporation (" FDIC ") insurance limits.While we monitor daily the cash balances in our operating accounts and adjust the cash balances as appropriate,these cash balances could be impacted if the underlying financial institutions fail or become subject to other adverse conditions in the financial markets.To date,we have experienced no loss or lack of access to cash in our operating accounts.** Our ability to raise capital ~~or obtain financing~~ in the future may be limited,and our failure to raise capital when needed could prevent us from executing our growth strategy.While we believe that our existing cash and cash equivalents will be sufficient to meet our anticipated cash needs for at least the next twelve months,the timing and amount of our working capital and capital expenditure requirements may vary significantly depending on numerous factors,including the other risk factors described above and below.If our capital resources are insufficient to satisfy our liquidity requirements,we may seek to sell additional equity securities or debt securities or obtain other debt financing,which could be difficult or impossible depending on the state of economic and capital markets environments at the time,as well as the state of our business,operating results and financial condition.For example,any sustained disruption in the capital markets from the global economic environment could negatively impact our ability to raise capital.Our ~~ability to raise additional capital or access capital can be affected by macroeconomic events which affect the economy and the financial and banking sectors in particular.Failures at banks and other financial institutions,such as the failure at Silicon Valley Bank in March 2023,or issues in the broader U.S.financial system,including uncertainty related to the debt ceiling,increased interest rates,and lack of availability of credit,which may have an impact on the broader capital markets and,in turn,our ability to access those markets.In addition,the tightening of the credit markets and lending standards could it make more difficult to raise capital through either debt or equity offerings on commercially reasonable terms or at all.Also,our~~ debt levels may impair our ability to obtain additional financing in the future.The sale of additional equity securities or convertible debt securities would result in additional dilution to our stockholders.We cannot assure that additional financing,if required or desired,will be available in amounts or on terms acceptable to us,if at all. ~~If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it,our ability to continue to support our business growth and to respond to business challenges could be significantly impaired,and our business may be adversely affected.If we need to accept less favorable terms,it could increase our cost of capital,reduce our cash balances or otherwise restrict our ability to grow.~~ We may not be able to fully utilize certain tax loss carryforwards. As of June 30, ~~2022~~ **2023** , we had approximately $ ~~324~~ **294** . ~~0~~ **1** million and $ ~~131~~ **125** . 1 million in federal and state net operating loss carryforwards, respectively. The federal and state carryforwards expire in varying amounts beginning in 2025 for federal and ~~2023~~ **2024** for state purposes. In addition, as of June 30, ~~2022~~ **2023** , we had federal and state research and development tax credit carryforwards of approximately $ ~~25~~ **27** . ~~5~~ **9** million and $ 22. ~~1~~ **6** million, respectively. **The** ~~If not utilized, the~~ California research credits have no expiration date, but **if not utilized,** the federal research credits and other non- California state research credits will begin to expire in ~~2023~~ **2024** . The Tax Act legislation, as modified by the Coronavirus Aid, Relief and Economic Security Act (the " CARES Act "), among other things, includes changes to the rules governing net operating losses. Net operating losses arising in tax years beginning after December 31, 2017 are subject to an 80 % of taxable income limitation (as calculated before taking the net operating losses into account). It is uncertain if and to what extent various states will conform to the Tax Act or CARES Act. For state income tax purposes, there may be periods during which the use of net operating losses is suspended or otherwise limited. ~~On February 9, 2022, California enacted 2022 CA SB11, which shortens the previously enacted suspension on the use of net operating losses and prior limits on the use of business tax credits, including the research and development credit.~~ In addition, utilization of our net operating loss and credit carry **-** forwards is subject to annual limitation due to the application of the ownership change limitations provided by Section 382 of the Internal Revenue Code and similar state provisions to us. Future changes in our stock ownership, including future offerings, as well as changes that may be outside of our control, could result in an ownership change under Section 382 of the Internal Revenue Code. **Additionally, one of the provisions under the Tax Cuts and Jobs Act that became effective in tax years beginning after December 31, 2021 required the capitalization and amortization of research and experimental expenditures and although this change did not have an impact on our current consolidated financial statements, it may have an impact on future periods as our research and experimental expenditures have been a material amount on our financial statements.** We are subject to the tax laws of various foreign jurisdictions, **as well as within the United States,** which are subject to unanticipated changes and interpretation and could harm our future results. The application of tax laws of various foreign jurisdictions **and within the United States** is subject to interpretation and depends on our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The taxing authorities of jurisdictions in which we operate may challenge our methodologies for valuing intercompany arrangements including our transfer pricing or determine that the manner in which we operate our business does not achieve the intended tax consequences. The application of tax laws can also be subject to

conflicting interpretations by tax authorities in the various jurisdictions we operate. It is not uncommon for taxing authorities in different countries to have conflicting views, with respect to, among other things, the manner in which the arm' s length standard is applied for transfer pricing purposes. Further, tax laws are subject to change, which could adversely impact our tax rate. ~~For example, the current administration has proposed tax reform legislation to impose a global minimum tax, which could result in increased marginal corporate tax rates.~~ A number of countries, as well as organizations such as the Organization for Economic Cooperation and Development, support the **15 %** global minimum tax **initiative, and are beginning to adopt laws to implement this** initiative. Such countries and organizations are also actively considering changes to existing tax laws or have proposed or enacted new laws that could increase our tax obligations in countries where we do business or cause us to change the way we operate our business, which could materially impact our results of operation . Our results may be impacted by..... and our business would be materially harmed . If we fail to maintain an effective system of internal control over financial reporting, our ability to produce timely and accurate financial results could be impaired. As a result, current and potential stockholders could lose confidence in our financial reporting, which could have an adverse effect on our business and our stock price. Effective internal controls are necessary for us to provide reliable financial reports and to protect from fraudulent, illegal, or unauthorized transactions. If we cannot maintain effective controls and provide timely and reliable financial reports, our business and operating results could be harmed **. In August 2023, we began using a new enterprise resource planning system (the " ERP system ") for financial reporting. Although we have completed this transition to a new enterprise resource planning system any disruption or difficulties in connection with our ERP system could adversely impact the effectiveness of our internal control over financial reporting. Any disruptions or difficulties that may occur in connection with our ERP system or other systems (whether in connection with the regular operation, periodic enhancements, modifications or upgrades of such systems or the integration of any acquired businesses into such systems, or due to cybersecurity events such as ransomware attacks) could also adversely affect our ability to manufacture products, process orders, deliver products, provide customer support, fulfill contractual obligations, track inventories, or otherwise operate our business, in particular as a result of our limited experience implementing such systems and the complex nature of the system itself. It is also possible that any disruption or difficulties in connection with our ERP system could adversely impact the effectiveness of our internal control over financial reporting, which could lead to further material weaknesses or significant deficiencies in our controls, which in turn could adversely affect our business, financial condition or results of operations** . A failure to implement and maintain effective internal control over financial reporting could result in a material misstatement of our financial statements or otherwise cause us to fail to meet our financial reporting obligations. This, in turn, could result in a loss of investor confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on our business and operating results and our stock price, and we could be subject to stockholder litigation. In addition, it may be difficult to timely determine the effectiveness of our financial reporting systems and internal controls because of the complexity of our financial model. We recognize revenue from a range of transactions including CyberKnife and TomoTherapy platform sales and services. The CyberKnife and TomoTherapy platforms are complex products that contain both hardware and software elements. The complexity of the CyberKnife and TomoTherapy platforms and of our financial model used to recognize revenue on such systems requires us to process a greater variety of financial transactions than would be required by a company with a less complex financial model. Accordingly, efforts to timely remediate deficiencies or weaknesses in our internal controls would likely be more challenging for us than they would for a company with a less complex financial model. Furthermore, if we were to find an internal control deficiency or material weakness, we may be required to amend or restate historical financial statements, which would likely have a negative impact on our stock price. Our liquidity could be adversely impacted by..... to us, if at all. Risks Related to the Regulation of our Products and Business Modifications, upgrades, new indications and future products related to the CyberKnife or TomoTherapy Systems or the Precision Treatment Planning and iDMS Data Management System software may require new FDA 510 (k) clearances or premarket approvals and similar licensing or approvals in international markets. Such **modifications, or any defects in design, manufacture or labeling may require us to recall or cease marketing the affected systems or software until approvals or clearances are obtained.** The CyberKnife and TomoTherapy platforms as well as the Precision Treatment Planning with iDMS Data Management System software are medical devices that are subject to extensive regulation in the United States by local, state and the federal government, including the FDA. The FDA cleared the latest imaging feature for the Radixact System, ClearRTTM, under K202412 on December 18, 2020. The FDA regulates virtually all aspects of a medical device design, development, testing manufacturing, labeling, storage, record keeping, adverse event reporting, sale, promotion, distribution and shipping. Before a new medical device, or a new intended use or indication or claim for an existing product, can be marketed in the United States, it must first receive either premarket approval or 510 (k) clearance from the FDA, unless an exemption exists. Either process can be expensive, lengthy and unpredictable. The FDA' s 510 (k) clearance process generally takes from three to twelve months, but it can last longer. The process of obtaining premarket approval is much more costly and uncertain than the 510 (k) clearance process and it generally takes from one to three years, or even longer, from the time the application is filed with the FDA. Additionally, outside of the United States, our products are subject to clearances and approvals by foreign governmental agencies similar to the FDA. In order to market our products internationally, we must obtain licenses or approvals from these governmental agencies, which could include local requirements, safety standards, testing or certifications, and can be time consuming, burdensome and uncertain. Despite the time, effort and cost, there can be no assurance that a particular device or a modification of a device will be approved or cleared by the FDA or any foreign governmental agency in a timely fashion, if at all. Even if we are granted regulatory clearances or approvals, they may include significant limitations on the indicated uses of the product, which may limit the market for those products, and how those products can be promoted. Medical devices may only be marketed for the indications for which they are approved or cleared. The FDA and other foreign governments also may change their policies, adopt additional regulations, or revise existing

regulations, each of which could prevent or delay approval or clearance of our device, or could impact our ability to market our currently approved or cleared device. We are also subject to medical device reporting regulations, which require us to report to the FDA and other international governmental agencies if our products cause or contribute to a death or a serious injury, or malfunction in a way that would likely cause or contribute to a death or a serious injury. We also are subject to the QSR in the U. S. and ISO 13485 certification in many international markets, compliance with which is necessary to receive FDA and other international clearances or approvals to market new products and is necessary for us to be able to continue to market a cleared or approved product in the United States or globally. After a product is placed in the market, we are also subject to regulations by the FDA and Federal Trade Commission related to the advertising and promotion of our products to ensure our claims are consistent with our regulatory clearances, that there is scientific data to substantiate our claims and that our advertising is not false or misleading. Our products are also subject to state regulations and various worldwide laws and regulations. A component of our strategy is to continue to upgrade the CyberKnife and TomoTherapy platforms as well as the Precision Treatment Planning with iDMS Data Management System software. Upgrades previously released by us required 510 (k) clearance and international registration before we were able to offer them for sale. We expect our future upgrades will similarly require 510 (k) clearance or approval; however, future upgrades may be subject to substantially more time- consuming data generation requirements and uncertain premarket approval or clearance processes. If we were required to use the premarket approval process for future products or product modifications, it could delay or prevent release of the proposed products or modifications, which could harm our business. The FDA requires device manufacturers to make their own determination of whether or not a modification requires an approval or clearance; however, the FDA can review a manufacturer' s decision not to submit for additional approvals or clearances. Any modification to an FDA approved or cleared device that would significantly affect its safety or efficacy or that would constitute a major change in its intended use would require a new premarket approval or 510 (k) clearance. We cannot assure you that the FDA will agree with our decisions not to seek approvals or clearances for particular device modifications or that we will be successful in obtaining premarket approvals or 510 (k) clearances for modifications in a timely fashion, if at all. We have obtained 510 (k) clearance for the CyberKnife platform for the treatment of conditions anywhere in the body when radiation treatment is indicated, and we have obtained 510 (k) clearance for the TomoTherapy platform to be used as integrated systems for the planning and delivery of IMRT for the treatment of cancer. We have made modifications to the CyberKnife and TomoTherapy platforms in the past and may make additional modifications in the future that we believe do not or will not require additional approvals or clearances. If the FDA disagrees, based on new finalized guidance and requires us to obtain additional premarket approvals or 510 (k) clearances for any modifications to the CyberKnife or TomoTherapy platforms and we fail to obtain such approvals or clearances or fail to secure approvals or clearances in a timely manner, we may be required to cease manufacturing and marketing the modified device or to recall such modified device until we obtain FDA approval or clearance and we may be subject to significant regulatory fines or penalties. The FDA and similar governmental authorities in other countries in which we market and sell our products have the authority to require the recall of our products in the event of material deficiencies or defects in design, manufacture or labeling. A government mandated recall, or a voluntary recall by us, could occur as a result of component failures, manufacturing errors or design defects, including defects in labeling and user manuals. Any recall could divert management' s attention, cause us to incur significant expenses, generate negative publicity, harm our reputation with customers, negatively affect our future sales and business, require redesign of the CyberKnife or TomoTherapy platform, and harm our operating results. In these circumstances, we may also be subject to significant enforcement action. If any of these events were to occur, our ability to introduce new or enhanced products in a timely manner would be adversely affected, which in turn would harm our future growth. In addition to regulation by the FDA and similar governmental authorities in other countries, our operations are subject to other laws and regulations, such as laws and rules governing interactions with healthcare providers, anti- corruption laws, privacy rules and transparency laws. In order to maintain compliance with these laws and requirements, we must continually keep abreast of any changes or developments to be able to integrate compliance protocols into the development and regulatory documentation of our products. Failure to maintain compliance could result in substantial penalties to us and harm our business. Laws and ethical rules governing interactions with healthcare providers. The Medicare and Medicaid " anti - kickback " laws, and similar state laws, prohibit soliciting, offering, paying or accepting any payments or other remuneration that is intended to induce any individual or entity to either refer patients to or purchase, lease or order, or arrange for or recommend the purchase, lease or order of, healthcare products or services for which payment may be made under federal and state healthcare programs, such as Medicare and Medicaid. Such laws impact our sales, marketing and other promotional activities by reducing the types of financial arrangements we may have with our customers, potential customers, marketing consultants and other service providers. They particularly impact how we structure our sales offerings, including discount practices, customer support, product loans, education and training programs, physician consulting, research grants and other service arrangements. Many of these laws are broadly drafted and are open to a variety of interpretations, making it difficult to determine with any certainty whether certain arrangements violate such laws, even if statutory safe harbors are available. **Generally, courts have taken a broad interpretation of the scope of the " anti- kickback " laws, holding that these laws may be violated if merely one purpose of a payment arrangement is to induce referrals or purchases. Further, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. Violations of these laws can be punishable with prison time, and can also result in criminal fines, administrative civil money penalties and exclusion from participation in federal healthcare programs.** In addition ~~to such anti - kickback laws~~ , **a claim including items or services resulting from a violation of the** federal **Anti- Kickback Statute constitutes a false or fraudulent claim for purposes of the federal False Claims Act. Federal** and state " false claims " laws generally prohibit the knowing filing or causing the filing of a false claim or the knowing use of false statements to obtain payment from government payors. Although we do not submit claims directly to payors, manufacturers can be held liable under these laws if they are deemed to " cause "

the submission of false or fraudulent claims by providing inaccurate billing or coding information to customers, or through certain other activities, including promoting products for uses or indications that are not approved by the FDA **. In addition to actions initiated by the government itself, the federal False Claims Act authorizes actions to be brought on behalf of the federal government by a private party having knowledge of the alleged fraud called a " relator ". Because the complaint is initially filed under seal, the action may be pending for some time before the defendant is even aware of the action. If the government is ultimately successful in obtaining redress in the matter or if the relator succeeds in obtaining redress without the government' s involvement, then the relator is typically entitled to receive a percentage of the recovery. When an entity is determined to have violated the federal False Claims Act, it may be required to pay up to three times the actual damages sustained by the government, plus civil penalties for each separate false claim, and may be excluded from participation in federal health care programs, and, although the federal False Claims Act is a civil statute, violations may also implicate various federal criminal statutes. Several states have also adopted comparable state false claims act, some of which apply to all payors** . We are also subject to federal and state physician self - referral laws. The federal Ethics in Patient Referrals Act of 1989, commonly known as the Stark Law, prohibits, subject to certain exceptions, physician referrals of Medicare and Medicaid patients to an entity providing certain " designated health services " if the physician or an immediate family member has any financial relationship with the entity. The Stark Law also prohibits the entity receiving the referral from billing any good or service furnished pursuant to an unlawful referral. Various states have corollary laws to the Stark Law, including laws that require physicians to disclose any financial interest they may have with a healthcare provider to their patients when referring patients to that provider. Both the scope and exceptions for such laws vary from state to state. If our past or present operations are found to be in violation of any of these " anti - kickback, " " false claims, " " self - referral " or other similar laws in foreign jurisdictions, we may be subject to the applicable penalty associated with the violation, which may include significant civil and criminal penalties, damages, fines, imprisonment and exclusion from healthcare programs. The impact of any such violations may lead to curtailment or restructuring of our operations, which could adversely affect our ability to operate our business and our financial results. Anti - corruption laws. We are also subject to laws regarding the conduct of business overseas, such as the FCPA, the U. K. Bribery Act of 2010, the Brazil Clean Companies Act, and other similar laws in foreign countries in which we operate. The FCPA prohibits the provision of illegal or improper inducements to foreign government officials in connection with the obtaining of business overseas. Becoming familiar with and implementing the infrastructure necessary to ensure that we and our distributors comply with such laws, rules and regulations and mitigate and protect against corruption risks could be quite costly, and there can be no assurance that any policies and procedures we do implement will protect us against liability under the FCPA or related laws for actions taken by our employees, executive officers, distributors, agents and other intermediaries with respect to our business. Violations of the FCPA or other similar laws by us or any of our employees, executive officers, distributors, agents or other intermediaries could subject us or the individuals involved to criminal or civil liability, cause a loss of reputation in the market, and materially harm our business. Laws protecting patient health information. There are a number of federal and state laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. In particular, the U. S. Department of Health and Human Services (" HHS ") has promulgated patient privacy rules under the HIPAA. These privacy rules protect medical records and other personal health information of patients by limiting their use and disclosure, giving patients the right to access, amend and seek accounting of their own health information and limiting most uses and disclosures of health information to the minimum amount reasonably necessary to accomplish the intended purpose. The HIPAA privacy standard was amended by the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009. Although we are not a " covered entity " under HIPAA, we are considered a " business associate " of certain covered entities and, as such, we are directly subject to HIPAA, including its enforcement scheme and inspection requirements, and are required to implement policies, procedures as well as reasonable and appropriate physical, technical and administrative security measures to protect individually identifiable health information we receive from covered entities. Our failure to protect health information received from customers in compliance with HIPAA or other laws could subject us to civil and criminal liability to the government and civil liability to the covered entity, could result in adverse publicity, and could harm our business and impair our ability to attract new customers. Transparency laws. The Sunshine Act, which was enacted by Congress as part of the Patient Protection and Affordable Care Act on December 14, 2011, requires each applicable manufacturer, which includes medical device companies such as Accuray, to track and report to the federal government on an annual basis all payments and other transfers of value from such applicable manufacturer to U. S. licensed physicians and teaching hospitals as well as physician ownership of such applicable manufacturer' s equity, in each case subject to certain statutory exceptions. Furthermore, on October 25, 2018, President Trump signed into law the " Substance Use-Disorder Prevention that Promoted Opioid Recovery and Treatment for Patients and Communities Act " which in part (under a provision entitled " Fighting the Opioid Epidemic with Sunshine ") extends the reporting and transparency requirements for physicians in the Physician Payments Sunshine Act to physician assistants, nurse practitioners, clinical nurse specialists, certified registered nurse anesthetists, and certified nurse midwives ~~(with reporting requirements going into effect in 2022 for payments made in 2021)~~ . Such data **is** ~~will be made~~ available by the government on a publicly searchable website. Failure to comply with the data collection and reporting obligations imposed by the Sunshine Act can result in civil monetary penalties ranging from $ 1, 000 to $ 10, 000 for each payment or other transfer of value that is not reported (up to a maximum of $ 150, 000 per reporting period) and from $ 10, 000 to $ 100, 000 for each knowing failure to report (up to a maximum of $ 1 million per reporting period). In addition, we are subject to similar state and foreign laws related to the tracking and reporting of payments and other transfers of value to healthcare professionals, the violation of which could, among other things, result in civil monetary penalties and adversely impact our reputation and business. Conflict minerals. The Dodd Frank Wall Street Reform and Consumer Protection Act and the rules promulgated by the SEC under such act require companies, including

Accuray, to disclose the existence in their products of certain metals, known as " conflict minerals, " which are metals mined from the Democratic Republic of the Congo and adjoining countries. These rules require investigative efforts, which has and will continue to cause us to incur associated costs, could adversely affect the sourcing, availability and pricing of minerals used in our products and may cause reputational harm if we determine that certain of our components contain such conflict minerals or if we are unable to alter our processes or sources of supply to avoid using such materials, all of which could adversely impact sales of our products and results of operations. To be able to market and sell our products in a specific country, we or our distributors must comply with applicable laws and regulations of that country. In jurisdictions where we rely on our distributors to manage the regulatory process, we are dependent on their ability to do so effectively. While the laws and regulations of some countries do not impose barriers to marketing and selling our products or only require notification, others require that we or our distributors obtain the approval of a specified regulatory body. These laws and regulations, including the requirements for approvals, and the time required for regulatory review vary from country to country. The governmental agencies regulating medical devices in some countries, for example, require that the user interface on medical device software be in the local language. We currently provide user guides and manuals, both paper copies and electronically, in the local language but only provide an English language version of the user interface. Obtaining regulatory approvals is expensive and time - consuming, and we cannot be certain that we or our distributors will receive regulatory approvals in each country in which we market or plan to market our products. If we modify our products, we or our distributors may need to apply for additional regulatory approvals before we are permitted to sell them. We may not continue to meet the quality and safety standards required to maintain the authorizations that we or our distributors have received. It can also be costly for us and our distributors to keep up with regulatory changes issued or mandated from time to time. If we change distributors, it may be time - consuming and disruptive to our business to transfer the required regulatory approvals, particularly if such approvals are maintained by our third - party distributors on our behalf. If we or our distributors are unable to maintain our authorizations, or fail to obtain appropriate authorizations in a particular country, we will no longer be able to sell our products in that country, and our ability to generate revenue will be materially adversely affected. Within the EU, we are required under the Medical Device Directive to affix the Conformité Européene ~~, or~~ **(“** CE ~~,~~ **”)** mark on our products in order to sell the products in member countries of the EU. This conformity to the applicable directives is done through self - declaration and is verified by an independent certification body, called a Notified Body, before the CE mark can be placed on the device. Once the CE mark is affixed to the device, the Notified Body will regularly audit us to ensure that we remain in compliance with the applicable European laws or directives. CE marking demonstrates that our products comply with the laws and regulations required by the European Union countries to allow free movement of trade within those countries. If we cannot support our performance claims and / or demonstrate or maintain compliance with the applicable European laws and directives, we lose our CE mark, which would prevent us from selling our products within the European Union. In addition, the EU' s Medical Device Regulation (“ MDR ”), which replaced the existing Medical Device Directive, became effective in May 2021. The MDR establishes new requirements and oversight for maintaining the CE mark. The official guidance continues to be published for the implementation of these requirements and the number of Notified Bodies are still limited. There may be variability in review timeframes and requirements as both manufacturers and authorities navigate these new requirements. In addition, the EU and Switzerland failed to establish a Mutual Recognition Agreement (“ MRA ”) for medical devices to include Switzerland within the MDR and as a result, Switzerland has initiated its own medical device regulation similar to the EU MDR, which will require additional registrations for economic operators and products within Switzerland for our devices. Under the Pharmaceutical Affairs Law in Japan, a pre - market approval necessary to sell, market and import a product, or Shonin, must be obtained from the Ministry of Health, Labor and Welfare (“ MHLW ”), for our products. Before issuing approvals, MHLW examines the application in detail with regard to the quality, efficacy, and safety of the proposed medical device. The Shonin is granted once MHLW is content with the safety and effectiveness of the medical device. The time required for approval varies. A delay in approval could prevent us from selling our products in Japan, which could impact our ability to generate revenue and harm our business. In addition to laws and regulations regarding medical devices, we are subject to a variety of environmental laws and regulations around the world regulating our operations, including those relating to the use, generation, handling, storage, transportation, treatment and disposal of hazardous materials, which laws impose compliance costs on our business and can also result in liability to us. Although we follow procedures intended to comply with existing environmental laws and regulations, risk of accidental contamination or injury can never be fully eliminated. In the event of an accident, state or federal or other applicable authorities may curtail our use of these materials and interrupt our business operations. In addition, future changes in these laws and regulations could also increase our costs of doing business. We must continually keep abreast of these standards and requirements and integrate our compliance into the development and regulatory documentation for our products. Failure to meet these standards could limit our ability to market our products in those regions that require compliance to such standards. For example, the European Union has adopted directives that may lead to restrictions on the use of certain hazardous substances or other regulated substances in some of our products sold there, unless such products are eligible for an exemption. While we believe that certain of our products are exempt, there can be no guarantee that such determination would not be challenged or that the regulations would not change in a way that would subject our products to such regulation. These directives, along with other laws and regulations that may be adopted by other countries, could increase our operating costs in order to maintain access to certain markets, which could adversely affect our business. **Healthcare reform legislation could adversely affect demand for our products, our revenue and our financial condition.** In March 2010, the Patient Protection and Affordable Care Act, as amended by Health Care and Education Reconciliation Act (collectively, the “ ACA ”) were signed into law. Since its enactment, there have been judicial and Congressional challenges to certain aspects of the ACA. In particular, on December 14, 2018, a Texas U. S. District Court Judge ruled that the ACA is unconstitutional in its entirety because the “ individual mandate ” was repealed by Congress as part of the Tax Act. Additionally, on December 18, 2019, the U. S. Court of Appeals for the 5th Circuit upheld the District Court ruling

that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the ACA are invalid as well. On June 18, 2021, the United States Supreme Court upheld the ACA, holding that the individuals who brought the lawsuit did not have standing to challenge the law. It is unclear how this decision and the decisions of the current administration will impact the ACA and our business. Complying with any new legislation or reversing changes implemented under the ACA could be time- intensive and expensive, resulting in a material adverse effect on our business. The ACA includes a large number of health related provisions, including expanding Medicaid eligibility, requiring most individuals to have health insurance, establishing new regulations on health plans, establishing health insurance exchanges, requiring manufacturers to report payments or other transfers of value made to physicians and teaching hospitals, modifying certain payment systems to encourage more cost - effective care and a reduction of inefficiencies and waste and including new tools to address fraud and abuse. The laws also include a decrease in the annual rate of inflation for Medicare payments to hospitals and the establishment of an independent payment advisory board to suggest methods of reducing the rate of growth in Medicare spending. We do not yet know the full impact that the ACA will have on our business. The expansion in the government' s role in the U. S. healthcare industry may result in decreased profits to us, lower reimbursement by third- party payors for our products, or reduced volume of medical procedures conducted with our products, all of which could have a material adverse effect on our business, financial condition and results of operations. ~~The Tax Act was signed into law in December 2017, which, among other things, removed penalties for not complying with the individual mandate to carry health insurance. However, with any new administration, the federal government may take further action regarding the ACA, including, but not limited to, reversing the changes implemented by prior administrations and expanding or reducing access to coverage under the ACA.~~ We cannot predict the ultimate content, timing or effect of any healthcare reform legislation or the impact of potential legislation on us. In addition, since the adoption of the ACA, other legislation designed to keep federal healthcare costs down has been proposed or passed. For example, under the sequestration required by the Budget Control Act of 2011, as amended by the American Taxpayer Relief Act of 2012, Medicare payments for all items and services under Parts A and B incurred on or after April 1, 2013 have been reduced by up to 2 %. In 2020 and 2021, during the COVID- 19 pandemic, Congress passed several laws including the Coronavirus Aid, Relief, and Economic Security (" CARES ") Act and Consolidated Appropriations Act of 2021, that temporarily suspended the 2 % sequestration. At the end of 2021, Congress passed the Protecting Medicare and American Farmers from Sequester Cuts Act, which extended the suspension on the 2 % sequestration through March 31, 2022, and adjusted the sequester to 1 % for the period between April 1, 2022 and June 30, 2022. Future federal legislation may impose further limitations on the coverage or amounts of reimbursement available for our products from governmental agencies or third - party payors. These limitations could have a negative impact on the demand for our products and services, and therefore on our financial position and results of operations. Since the enactment of the ACA, CMS continues its efforts to move away from fee for service payments for furnishing items and services in Medicare. As a result of actions taken in 2020 and 2021, CMS has finalized, but not implemented a radiation oncology alternative payment model (**"** RO- APM **"**). This model was designed to determine if a site neutral, modality agnostic, episode ~~-~~based payment model would reduce Medicare expenditures and preserve beneficiary quality of care. However, due to ~~several~~ **the** COVID- 19 ~~related~~ **pandemic, implementation of the RO- APM has been** ~~delays~~ **delayed** ~~and failure to gain stakeholder consensus~~ **several times. On August 29, 2022** , CMS ~~has indefinitely~~ **published a final rule in the Federal Register, CMS- 5527- F2, that** delayed ~~implementation of~~ the ~~model until~~ **start date of the RO- APM to a date to be determined through** future ~~rule- making~~ **rulemaking** . As such, it remains unclear as to if or when CMS will introduce the RO- APM. If implemented, it is unclear what impact, if any, the RO- APM and other government payer initiatives will have on our business and operating results, but uncertainties surrounding the new payment model or other initiatives could pause or otherwise delay the purchase of our products by our customers and any resulting decrease in reimbursement to our customers may result in reduced demand for our services. Future legislative or policy initiatives directed at reducing costs could be introduced at either the federal or state level. We cannot predict what healthcare reform legislation or regulations, if any, including any potential repeal or amendment of the ACA, will be enacted in the United States or elsewhere, what impact any legislation or regulations related to the healthcare system that may be enacted or adopted in the future might have on our business, or the effect of ongoing uncertainty or public perception about these matters will have on the purchasing decisions of our customers. However, the implementation of new legislation and regulation may materially lower reimbursements for our products, materially reduce medical procedure volumes and significantly and adversely affect our business. Risks Related to Our Common Stock The stock market in general has recently experienced relatively large price and volume fluctuations, particularly in response to **macroeconomic factors** ~~new news on the COVID- 19 pandemic~~ . In addition, the trading prices of the stock of healthcare companies of our size can experience extreme price and volume fluctuations. These fluctuations often have been unrelated or out of proportion to the operating performance of these companies. Our stock price has experienced periods of volatility, including in recent quarters. Broad market fluctuations may also harm our stock price. Continued market fluctuations could result in extreme volatility in the price of our common stock, which could cause a decline in the value of our common stock. Any negative change in the public' s perception of the prospects of companies that employ similar technology or sell into similar markets could also depress our stock price, regardless of our actual results. In addition to the other risk factors described above and below, factors affecting the trading price of our common stock include: • impacts to our business, operations or financial condition caused by concerns in connection with the global economic environment, COVID- 19 pandemic or supply chain disruptions; • ~~fiscal and monetary stimulus measures to counteract the impact of the COVID- 19 pandemic; •~~ regulatory developments related to manufacturing, marketing or sale of the CyberKnife or TomoTherapy platform; • political or social uncertainties, including **as a result of** the conflict between Russia and Ukraine; • changes in product pricing policies; • variations in our operating results, as well as costs and expenditures; • announcements of technological innovations, new services or service enhancements, strategic alliances or significant agreements by us or by our competitors; • changes in analysts' estimates, investors' perceptions, recommendations

by securities analysts or our failure to achieve analysts' and our own estimates; • recruitment or departure of key personnel; • the performance of our competitors and investor perception of the markets and industries in which we compete; • announcement of strategic transactions or capital raising activities; and • market conditions in our industry, the industries of our customers and the economy as a whole, including the impact of increased inflation ~~or ,~~ a recession ~~. Future issuances of shares of our~~ **or instability in** ~~common stock could dilute~~ the ~~ownership interests of our stockholders~~ **banking and financial services sector** . Any issuance of equity securities could dilute the interests of our stockholders and could substantially decrease the trading price of our common stock. We may issue equity securities in the future for a number of reasons, including to finance our operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to adjust our ratio of debt to equity, to satisfy our obligations upon the exercise of outstanding options or for other reasons. In ~~August~~ **May** ~~2017~~ **2021** , we issued $ ~~85~~ **100** . 0 million aggregate principal amount of **the** ~~our 3. 75 % Convertible~~ Notes **. We exchanged approximately** ~~due 2022 and in May 2021, we issued~~ $ **82** ~~100. 0 million aggregate principal amount of our 3. 75 % Convertible Notes due 2026. $ 97~~ . 1 million aggregate principal amount of ~~the~~ **then - outstanding** 3. 75 % Convertible **Senior** ~~Notes due 2026 were issued to certain holders of the 3. 75 % Convertible~~ Notes due 2022 ~~in exchange~~ for approximately $ ~~82~~ **97** . 1 million aggregate principal amount of **the** ~~3. 75 % Convertible~~ Notes ~~due 2022~~ and **issued approximately** $ 2. 9 million aggregate principal amount of the ~~3. 75 % Convertible~~ Notes ~~due 2026 were issued~~ to certain other qualified new investors for cash. To the extent we issue common stock upon conversion of any outstanding convertible notes, that conversion would dilute the ownership interests of our stockholders. In the event the conditional conversion features of the Notes are triggered, holders of the Notes, as applicable, will be entitled to convert such notes at any time during specified periods at their option. If one or more holders elect to convert such notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than paying solely cash in lieu of any fractional share), including if we have irrevocably elected full physical settlement upon conversion, we would be required to make cash payments to satisfy all or a portion of our conversion obligation based on the applicable conversion rate, which could adversely affect our liquidity. In addition, even if holders do not elect to convert such notes, if we have irrevocably elected net share settlement upon conversion we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of such notes as a current rather than long - term liability, which could result in a material reduction of our net working capital. Provisions in the indenture for the Notes, the credit agreement for our ~~New~~ Credit Facilities, our certificate of incorporation and our bylaws could discourage or prevent a takeover, even if an acquisition would be beneficial in the opinion of our stockholders. Provisions of our certificate of incorporation and bylaws could make it more difficult for a third - party to acquire us, even if doing so would be beneficial in the opinion of our stockholders. These provisions include: • authorizing the issuance of " blank check " preferred stock that could be issued by our board of directors to increase the number of outstanding shares and thwart a takeover attempt; • establishing a classified board of directors, which could discourage a takeover attempt; • prohibiting cumulative voting in the election of directors, which would limit the ability of less than a majority of stockholders to elect director candidates; • limiting the ability of stockholders to call special meetings of stockholders; • prohibiting stockholder action by written consent and requiring that all stockholder actions be taken at a meeting of our stockholders; and • establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings. In addition, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change of control of our company. Generally, Section 203 prohibits stockholders who, alone or together with their affiliates and associates, own more than 15 % of the subject company from engaging in certain business combinations for a period of three years following the date that the stockholder became an interested stockholder of such subject company without approval of the board or 662 / 3 % of the independent stockholders. The existence of these provisions could adversely affect the voting power of holders of common stock and limit the price that investors might be willing to pay in the future for shares of our common stock. A change of control will also trigger an event of default under the Credit Facilities. If an event of default occurs, the agent for the lenders under the Credit Facilities may, at its discretion, suspend or terminate any of the lenders' loan obligations thereunder and / or declare all or any portion of the loan then - outstanding under the Credit Facilities, including all accrued but unpaid interest thereon, to be accelerated and immediately due and payable. Furthermore, if a " fundamental change " (as such term is defined in the applicable indenture of the Notes) occurs, holders of the Notes will have the right, at their option, to require us to repurchase all or a portion of their convertible notes. A " fundamental change " generally occurs when there is a change in control of Accuray (acquisition of 50 % or more of our voting stock, liquidation or sale of Accuray not for stock in another publicly traded company) or trading of our stock is terminated. In the event of a " make - whole fundamental change " (as such term is defined in the applicable indenture of the Notes), we may also be required to increase the conversion rate applicable to the Notes surrendered for conversion in connection with such make - whole fundamental change. A " make - whole fundamental change " is generally a sale of Accuray not for stock in another publicly traded company. In addition, the applicable indentures for the Notes prohibits us from engaging in certain mergers or acquisitions unless, among other things, the surviving entity assumes our obligations under the Notes. ~~Our liquidity could be adversely impacted by adverse conditions in the financial markets.~~ At June 30, ~~2022~~ **2023** ,we had $ ~~88~~ **89** . ~~7~~ **4** million in cash and cash equivalents.The available cash and cash equivalents are held in accounts managed by third - party financial institutions and consist of cash in our operating accounts and cash invested in money market funds.To date,we have experienced no material realized losses on or lack of access to our invested cash,or cash equivalents;however,we can provide no assurances that access to our invested cash and cash equivalents will not be impacted by adverse conditions in the financial markets **.Actual events involving reduced or limited liquidity,defaults,non- performance or other adverse developments that affect domestic and international financial institutions or other companies in the financial services industry or the financial services industry generally,or concerns or rumors about any events of these kinds may in the future lead to market- wide liquidity problems.In addition,the tightening of the credit markets would it make more difficult to raise capital through either debt or equity offerings on**

commercially reasonable terms or at all .At any point in time,we also have funds in our operating accounts that are with third-party financial institutions that exceed the Federal Deposit Insurance Corporation (" FDIC ") insurance limits.While we monitor daily the cash balances in our operating accounts and adjust the cash balances as appropriate,these cash balances could be impacted if the underlying financial institutions fail or become subject to other adverse conditions in the financial markets.To date,we have experienced no loss or lack of access to cash in our operating accounts.Our ~~ability~~ **operations are vulnerable** to ~~raise capital~~ **interruption or loss because of natural disasters,global or regional health pandemics or epidemics,terrorist acts and other events beyond our control,which has impacted and could** in the future **adversely affect** ~~may be limited,and our failure to raise capital when needed could prevent us from executing our growth strategy.While we believe that our existing cash and cash equivalents will be sufficient to meet our anticipated cash needs for at least the next twelve months,the timing and amount of our working capital and capital expenditure requirements may vary significantly depending on numerous factors,including the other risk factors described above and below.If our capital resources are insufficient to satisfy our liquidity requirements,we may seek to sell additional equity securities or~~ **our business.** ~~debt securities or obtain other debt financing,which could be difficult or impossible~~ We have facilities in countries around the world, including two manufacturing facilities, each of which is equipped to manufacture unique components of our products. Our manufacturing facilities are located in Madison, Wisconsin, and Chengdu, China. We do not maintain backup manufacturing facilities for any of our manufacturing facilities or for our IT facilities, so we depend on each of our current facilities for the continued operation of our business. In addition, we conduct a significant portion of other activities, including administration and data processing, at facilities located in California, which has experienced major earthquakes and fires in the past, as well as other natural disasters. Chengdu, China, where one of our manufacturing facilities is located, has also experienced major earthquakes in the past. We do not carry earthquake insurance. In addition, China has suffered health epidemics related to the outbreak of COVID- 19 (including resurgences of COVID- 19), avian influenza and severe acute respiratory syndrome, which could adversely affect our operations in China, including our manufacturing operations in Chengdu, as well as the operations of the JV and those of our customers. Furthermore, the COVID- 19 pandemic has spread widely around the world, including in locations where we have facilities and operations. Unexpected events at any of our facilities or otherwise, including as a result of responses to epidemics or pandemics; fires or explosions; natural disasters, such as hurricanes, floods, ~~tornados~~ **tornadoes** and earthquakes; war or terrorist activities (including the conflict between Russia and Ukraine); unplanned outages; supply disruptions; and failures of equipment or systems, including telecommunications systems, or the failure to take adequate steps to mitigate the likelihood or potential impact of such events, could significantly disrupt our operations, delay or prevent product manufacturing and shipment for the time required to repair, rebuild or replace our manufacturing facilities, which could be lengthy, result in large expenses to repair or replace the facilities, and adversely affect our results of operation. In particular, telecommunication system failures or disruptions could significantly disrupt our operations as a result of our increase remote work arrangements ~~due to the COVID-19 pandemic~~ . In addition, concerns about terrorism, the effects of a terrorist attack, political turmoil or an epidemic outbreak could have a negative effect on our operations and the operations of our suppliers and customers and the ability to travel, which could harm our business, financial condition and results of operations. Changes in interpretation or application of generally accepted accounting principles may adversely affect our operating results. We prepare our financial statements to conform to **U. S. GAAP** ~~United States Generally Accepted Accounting Principles~~ . These principles are subject to interpretation by the Financial Accounting Standards Board, American Institute of Certified Public Accountants, the Public Company Accounting Oversight Board, the Securities and Exchange Commission and various other regulatory or accounting bodies. A change in interpretations of, or our application of, these principles can have a significant effect on our reported results and may even affect our reporting of transactions completed before a change is announced. Additionally, as we are required to adopt new accounting standards, our methods of accounting for certain items may change, which could cause our results of operations to fluctuate from period to period ~~. For example, upon adoption of ASC 606, we now recognize system revenue upon transfer of control, which is generally at time of delivery~~ . Under the previous accounting guidance, we recognized system revenue upon acceptance when and if we have installation responsibilities. If circumstances change over time or interpretation of the revenue recognition rules change, we could be required to adjust the timing of recognizing revenue and our financial results could suffer. We have not paid dividends in the past and do not expect to pay dividends in the foreseeable future. We have never declared or paid cash dividends on our capital stock. We currently intend to retain all future earnings for the operation and expansion of our business and, therefore, do not anticipate declaring or paying cash dividends in the foreseeable future. The payment of dividends will be at the discretion of our board of directors and will depend on our results of operations, capital requirements, financial condition, prospects, contractual arrangements, and other factors our board of directors may deem relevant. If we do not pay dividends, a return on a stockholders' investment will only occur if our stock price appreciates. ~~69~~