Risk Factors Comparison 2025-03-26 to 2024-03-29 Form: 10-K

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Our business is subject to many risks and uncertainties, which may affect our future financial performance. If any of the events or circumstances described below occur, our business and financial performance could be adversely affected, our actual results could differ materially from our expectations, and the price of our stock could decline. The risks and uncertainties discussed below are not the only ones we face. There may be additional risks and uncertainties not currently known to us or that we currently do not believe are material that may adversely affect our business and financial performance. You should carefully consider the risks described below, together with all other information included in this Annual Report on Form 10- K, including our financial statements and related notes, before making an investment decision. If any of the adverse developments described in the following risk factors actually occurs, our business, financial condition, or results of operations could be harmed. In that case, the trading price of our common stock could decline, and investors in our securities may lose all or part of their investment. Risks Related to Our Business and Operations We have incurred losses in the past, our financial statements have been prepared on a going concern basis and we may be unable to achieve or sustain profitability in the future. To date, we have financed our operations primarily through the issuance of public and private equity and convertible notes. We have devoted substantially all of our resources to research and development, creating the infrastructure for a publicly traded medical device company, preparing for our national commercial launch, and clinical and regulatory matters for our products. There can be no assurances that we will be able to generate sufficient revenue from our existing products or from any future product candidates to transition to profitability and generate consistent positive cash flows. We expect that our operating expenses will continue to increase as we continue to build our commercial infrastructure, develop, enhance, and commercialize our existing and new products and incur additional operating and reporting costs associated with being a public company. As a result, we expect to continue to incur operating losses for the foreseeable future and may never achieve profitability. Furthermore, even if we do achieve profitability, we may not be able to sustain or increase profitability on an ongoing basis. If we do not achieve profitability, it will be more difficult for us to finance our business and accomplish our strategic objectives. Our recurring losses from operations and negative cash flows raise substantial doubt about our ability to continue as a going concern. As a result, our independent registered public accounting firm included an explanatory paragraph in its report on our financial statements for the fiscal year ended, December 31, ~~2023~~ **2024** , describing the existence of substantial doubt about our ability to continue as a going concern. Our expected future capital requirements may depend on many factors including expanding our clinician base, increasing the rate at which we train clinicians, the number of additional clinical papers initiated, and the timing and extent of spending on the development of our technology to increase our product offerings. We may need additional funding to fund our operations but additional funds may not be available to us on acceptable terms on a timely basis, if at all. We may seek funds through borrowings or through additional rounds of financing, including private or public equity or debt offerings. If we raise additional funds by issuing equity securities, our stockholders may experience dilution. Any future debt financing into which we enter may impose upon us additional covenants that restrict our operations, including limitations on our ability to incur liens or additional debt, pay dividends, repurchase our common stock, make certain investments, and engage in certain merger, consolidation or asset sale transactions. Any future debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders. Furthermore, we cannot be certain that additional funding will be available on acceptable terms, if at all. If we are unable to raise additional capital or generate sufficient cash from operations to adequately fund our operations, we will need to curtail planned activities to reduce costs, which will likely harm our ability to execute on our business plan and continue operations. ~~Practice trends or other factors, including the COVID- 19 pandemic, may cause procedures to shift from the hospital environment to ambulatory surgical centers (" ASCs "), where pressure on the prices of our products is generally more acute. To protect health care professionals involved in surgical care and their patients, we anticipate that more outpatient eligible procedures will be performed in ASCs during the COVID- 19 pandemic, and as its acuity declines and the healthcare system returns to a more normalized state. Since patients do not stay overnight in ASCs and COVID- 19 patients would not otherwise be treated in ASCs, it is likely that the ASC will be viewed as a safer site of service for patients and health care providers, where the risk of transmission of COVID- 19 can be more effectively controlled. Because ASC facility fee reimbursement is typically less than facility fee reimbursement for hospitals, we typically experience more pressure on the pricing of our products by ASCs than by hospitals, and the average price for which we sell our products to ASCs is less than the average prices we charge to hospitals. An accelerated shift of procedures using our products to ASCs as a result of the COVID- 19 pandemic could adversely impact the average selling prices of our products and our revenues could suffer as a result.~~ If hospitals, clinicians, and other healthcare providers are unable to obtain coverage and reimbursement from third- party payors for procedures performed using our products, adoption of our products may be delayed, and it is unlikely that they will gain further acceptance. Growing sales of our product depends on the availability of adequate coverage and reimbursement from third- party payors, including government programs such as Medicare and Medicaid, private insurance plans, and managed care programs. Hospitals, clinicians, and other healthcare providers that purchase or use medical devices generally rely on third- party payors to pay for all or part of the costs and fees associated with the procedures performed with these devices. Adequate coverage and reimbursement for procedures performed with our products is central to the acceptance of our current and future products. We may be unable to sell our products on a profitable basis if third- party payors deny coverage, continue to deny coverage or reduce their current levels of payment, or if our costs for the product increase faster than increases in reimbursement levels.

Many private payors refer to coverage decisions and payment amounts determined by the Centers for Medicare and Medicaid Services, or CMS, which administers the Medicare program, as guidelines for setting their coverage and reimbursement policies. By June 30, 2016, all Medicare Administrative Contractors were regularly reimbursing for minimally invasive and / or open SI- Joint fusion. Private payors that do not follow the Medicare guidelines may adopt different coverage and reimbursement policies for procedures performed with our products. Private commercial payors have been slower to adopt positive coverage policies for minimally invasive and / or open SI- Joint fusion, and many private payors still have policies that treat the procedure as experimental or investigational and do not regularly reimburse for the procedure. Future action by CMS or third- party payors may further reduce the availability of payments to physicians, outpatient surgery centers, and / or hospitals for procedures using our products. The healthcare industry in the United States has experienced a trend toward cost containment as government and private insurers seek to control healthcare costs. Payors are imposing lower payment rates and negotiating reduced contract rates with service providers and being increasingly selective about the technologies and procedures they choose to cover. There can be no guarantee that we will be able to provide the scientific and clinical data necessary to overcome these policies. Payors may adopt policies in the future restricting access to medical technologies like ours and / or the procedures performed using such technologies. Therefore, we cannot be certain that the procedures performed with each of our products will be reimbursed. There can be no guarantee that, should we introduce additional products in the future, payors will cover those products or the procedures in which they are used. If the reimbursement provided by third- party payors to hospitals, clinicians, and other healthcare providers for procedures performed using our products is insufficient, adoption and use of our products and the prices paid for our implants may decline. When a Tenon procedure utilizing ~~the~~ **The** Catamaran System is performed, both the clinician and the healthcare facility, a hospital (inpatient or outpatient clinic), submit claims for reimbursement to the patient' s insurer. Generally, the facility obtains a lump sum payment, or facility fee, for SI- Joint fusions. Our products are purchased by the facility, along with other supplies used in the procedure. The facility must also pay for its own fixed costs of operation, including certain operating room personnel involved in the procedure, and other medical services care. If these costs exceed the facility reimbursement, the facility' s managers may discourage or restrict clinicians from performing the procedure in the facility or using certain technologies, such as ~~the~~ **The** Catamaran System, to perform the procedure. The Medicare ~~2022~~ **2023** national average hospital inpatient payment ranges from approximately $ 25, ~~000~~ **661** to approximately $ ~~59~~ **46** , ~~000~~ **437** depending on the procedural approach and the presence of Complication and Comorbidity (CC) / Major Complication and Comorbidity (MCC). The Medicare ~~2022~~ **2023** national average hospital outpatient clinic payment is $ ~~21~~ **17** , ~~897~~ **756** . We believe that insurer payments to facilities are generally adequate for these facilities to offer ~~the~~ **The** Catamaran System. However, there can be no guarantee that these facility payments will not decline in the future. The number of procedures performed, and the prices paid for our implants may in the future decline if payments to facilities for SI- Joint fusions decline. Clinicians are reimbursed separately for their professional time and effort to perform a surgical procedure. Depending on the surgical approach, the incision size, type and extent of imaging guidance, indication for procedure, and the insurer, ~~the~~ **The** Catamaran System procedure may be reported by the clinician using any one of the applicable following CPT ® codes 27279, 27280, 27299. The Medicare 2022 national average payment for CPT ® 27279 is $ 807 and $ 1, 325 for 27280. CPT ® 27299 has no national valuation. Clinicians, however, can present a crosswalk to another procedure believed to be fairly equivalent and / or comparison to a code for which there is an existing valuation. For some governmental programs, such as Medicaid, coverage and reimbursement differ from state to state, and some state Medicaid programs may not pay an adequate amount for the procedures performed with our products, if any payment is made at all. Similar to Medicaid, many private payors' coverage and payment may differ from one payer to another as well. We believe that some clinicians view the current Medicare reimbursement amount as insufficient for the procedure, given the work effort involved with the procedure, including the time to diagnose the patient and obtain prior authorization from the patient' s health insurer when necessary. Many private payors require extensive documentation of a multi- step diagnosis before authorizing SI- Joint fusion for a patient. We believe that some private payors apply their own coverage policies and criteria inconsistently, and clinicians may experience difficulties in securing approval and coverage for sacroiliac fusion procedures. Additionally, many private payors limit coverage for open SI- Joint fusion to trauma, tumors or extensive spine fusion procedures involving multiple levels. The perception by physicians that the reimbursement for SI- Joint fusion is insufficient to compensate them for the work required, including diagnosis, documentation, obtaining payor approval for the procedure, and burden on their office staff, may negatively affect the number of procedures performed and may therefore impede the growth of our revenues or cause them to decline. We may not be able to convince physicians that ~~the~~ **The** Catamaran System is an attractive alternative to our competitors' products and that our procedure is an attractive alternative to existing surgical and non- surgical treatments of the SI- Joint. Clinicians play the primary role in determining the course of treatment in consultation with their patients and, ultimately, the product that will be used to treat a patient. In order for us to sell ~~the~~ **The** Catamaran System successfully, we must convince clinicians through education and training that treatment with ~~the~~ **The** Catamaran System is beneficial, safe, and cost- effective for patients as compared to our competitors' products. If we are not successful in convincing clinicians of the merits of ~~the~~ **The** Catamaran System, they may not use our product, and we will be unable to increase our sales and achieve or grow profitability. Historically, most spine clinicians did not include SI- Joint pain in their diagnostic work- up because they did not have an adequate surgical procedure to perform for patients diagnosed with the condition. As a result, some patients with lower back pain resulting from SI- Joint dysfunction are misdiagnosed. We believe that educating clinicians and other healthcare professionals about the clinical merits and patient benefits of ~~the~~ **The** Catamaran System is an important element of our growth. If we fail to effectively educate clinicians and other medical professionals, they may not include a SI- Joint evaluation as part of their diagnosis and, as a result, those patients may continue to receive unnecessary or only non- surgical treatment. Clinicians may also hesitate to change their medical treatment practices for other reasons, including the following: ● lack of experience with minimally invasive procedures; ● perceived liability risks generally associated with the use of new products and procedures; ● costs

associated with the purchase of new products; and ● time commitment that may be required for training. Furthermore, we believe clinicians may not widely adopt ~~the~~ **The** Catamaran System unless they determine, based on experience, clinical data, and published peer- reviewed publications, that surgical intervention provides benefits or is an attractive alternative to non-surgical treatments of SI- Joint dysfunction. In addition, we believe support of our products relies heavily on long- term data showing the benefits of using our product. If we are unable to provide that data, clinicians may not use our product. In such circumstances, we may not achieve expected sales and may be unable to achieve profitability. Clinicians and payors may not find our clinical evidence to be compelling, which could limit our sales, and on- going and future research may prove our product to be less safe and effective than initially anticipated. All of the component parts of ~~the~~ **The** Catamaran System have either received premarket clearance under Section 510 (k) of the U. S. federal Food, Drug, and Cosmetic Act, or FDCA, or are exempt from premarket review. The 510 (k) clearance process of the U. S. Food and Drug Administration, or FDA, requires us to document that our product is " substantially equivalent " to another 510 (k)- cleared product. The 510 (k) process is shorter and typically requires the submission of less supporting documentation than other FDA approval processes, such as a premarket approval, or PMA, and does not usually require pre- clinical or clinical studies. Additionally, to date, we have not been required to complete clinical studies in connection with the sale of our product. For these reasons, clinicians may be slow to adopt our product, third- party payors may be slow to provide coverage, and we may be subject to greater regulatory and product liability risks. Further, future patient studies or clinical experience may indicate that treatment with our product does not improve patient outcomes. Such results would slow the adoption of our product by clinicians, significantly reduce our ability to achieve expected sales, and could prevent us from achieving profitability. Moreover, if future results and experience indicate that our product causes unexpected or serious complications or other unforeseen negative effects, we could be subject to mandatory product recalls, suspension, or withdrawal of FDA clearance. Pricing pressure from our competitors, changes in third- party coverage and reimbursement, healthcare provider consolidation, payor consolidation and the proliferation of " physician- owned distributorships " may impact our ability to sell our product at prices necessary to support our current business strategies. If competitive forces drive down the prices we are able to charge for our product, our profit margins will shrink, which will adversely affect our ability to invest in and grow our business. The SI- Joint fusion market has attracted numerous new companies and technologies. As a result of this increased competition, we believe there will be continued and increased pricing pressure, resulting in lower gross margins, with respect to our product. Even to the extent our product and procedures using our product are currently covered and reimbursed by third- party private and public payors, adverse changes in coverage and reimbursement policies that affect our product, discounts, and number of implants used may also drive our prices down and harm our ability to market and sell our product. We are unable to predict what changes will be made to the reimbursement methodologies used by third- party payors. We cannot be certain that under current and future payment systems, in which healthcare providers may be reimbursed a set amount based on the type of procedure performed, such as those utilized by Medicare and in many privately managed care systems, the cost of our product will be justified and incorporated into the overall cost of the procedure. In addition, to the extent there is a shift from inpatient setting to outpatient settings, we may experience pricing pressure and a reduction in the number of ~~the~~ **The** Catamaran System procedures performed. Consolidation in the healthcare industry, including both third- party payors and healthcare providers, could lead to demands for price concessions or to the exclusion of some suppliers from certain of our markets, which could have an adverse effect on our business, results of operations, or financial condition. Because healthcare costs have risen significantly over the past several years, numerous initiatives and reforms initiated by legislators, regulators, and third- party payors to curb these costs have resulted in a consolidation trend in the healthcare industry to aggregate purchasing power. As the healthcare industry consolidates, competition to provide products and services to industry participants has become and will continue to become more intense. This in turn has resulted and will likely continue to result in greater pricing pressures and the exclusion of certain suppliers from important market segments as group purchasing organizations, independent delivery networks, and large single accounts continue to use their market power to consolidate purchasing decisions for hospitals. We expect that market demand, government regulation, third- party coverage, and reimbursement policies and societal pressures will continue to change the worldwide healthcare industry, resulting in further business consolidations and alliances among our customers, which may reduce competition, exert further downward pressure on the price of our product, and adversely impact our business, results of operations, or financial condition. As we continue to expand into international markets, we will face similar risks relating to adverse changes in coverage and reimbursement procedures and policies in those markets. We operate in a very competitive business environment and if we are unable to compete successfully against our existing or potential competitors, our sales and operating results may be negatively affected and we may not grow. The Catamaran System is subject to intense competition. Many of our competitors are major medical device companies that have substantially greater financial, technical, and marketing resources than we do, and they may succeed in developing products that would render our product obsolete or non- competitive. In addition, many of these competitors have significantly longer operating histories and more established reputations than we do. Our field is intensely competitive, subject to rapid change and highly sensitive to the introduction of new products or other market activities of industry participants. Our ability to compete successfully will depend on our ability to develop proprietary products that reach the market in a timely manner, receive adequate coverage and reimbursement from third- party payors, and are safer, less invasive, and more effective than alternatives available for similar purposes as demonstrated in peer- reviewed clinical publications. Because of the size of the potential market, we anticipate that other companies will dedicate significant resources to developing competing products. In the United States, we believe that our primary competitors are currently SI-bone, Inc., Globus Medical, Inc., Medtronic plc, XTant Medical Holdings, Inc., and RTI Surgical, Inc. At any time, these or other industry participants may develop alternative treatments, products or procedures for the treatment of the SI- Joint that compete directly or indirectly with our product. If alternative treatments are, or are perceived to be, superior to our product, sales of our product and our results of operations could be negatively affected. Some of our larger competitors are either publicly

traded or divisions or subsidiaries of publicly traded companies. These competitors may enjoy several competitive advantages over us, including: ● greater financial, human, and other resources for product research and development, sales and marketing, and legal matters; ● significantly greater name recognition; ● established relationships with clinicians, hospitals, and other healthcare providers; ● large and established sales and marketing and distribution networks; ● greater experience in obtaining and maintaining domestic and international regulatory clearances or approvals, or CE Certificates of Conformity for products and product enhancements; ● more expansive portfolios of intellectual property rights; and ● greater ability to cross- sell their products or to incentivize hospitals or clinicians to use their products. New participants have increasingly entered the medical device industry. Many of these new competitors specialize in a specific product or focus on a particular market segment, making it more difficult for us to increase our overall market position. The frequent introduction by competitors of products that are or claim to be superior to our product or that are alternatives to our existing or planned products may make it difficult to differentiate the benefits of our product over competing products. In addition, the entry of multiple new products and competitors may lead some of our competitors to employ pricing strategies that could adversely affect the pricing of our product and pricing in the market generally. As a result, without the timely introduction of new products and enhancements, our product may become obsolete over time. If we are unable to develop innovative new products, maintain competitive pricing, and offer products that clinicians and other physicians perceive to be as reliable as those of our competitors, our sales or margins could decrease, thereby harming our business. We currently manufacture (through third parties) and sell products used in a single procedure, which could negatively affect our operations and financial condition. Presently we do not sell any products other than ~~the~~ **The** Catamaran System and related tools and instruments. Therefore, we are solely dependent on widespread market adoption of ~~the~~ **The** Catamaran System and we will continue to be dependent on the success of this single product for the foreseeable future. There can be no assurance that ~~the~~ **The** Catamaran System will gain a substantial degree of market acceptance among clinicians, patients or healthcare providers. Our failure to successfully increase sales of ~~the~~ **The** Catamaran System or any other event impeding our ability to sell ~~the~~ **The** Catamaran System, would result in a material adverse effect on our results of operations, financial condition and continuing operations. We have a limited operating history and may face difficulties encountered by early- stage companies in new and rapidly evolving markets. Even though we were formed in 2012 we have just built the infrastructure necessary to commercially launch ~~the~~ **The** Catamaran System. Accordingly, we have a limited operating history upon which to base an evaluation of our business and prospects. In assessing our prospects, you must consider the risks and difficulties frequently encountered by early- stage companies in new and rapidly evolving markets, particularly companies engaged in the development and sales of medical devices. These risks include our inability to: ● obtain coverage by third- party, private, and government payors; ● establish and increase awareness of our brand and strengthen customer loyalty; ● attract and retain qualified personnel; ● find and develop relationships with contract manufacturers that can manufacture the necessary volume of product; ● manage our independent sales representatives to achieve our sales growth objectives; ● commercialize new products and enhance our existing product; ● manage rapidly changing and expanding operations; ● implement and successfully execute our business and marketing strategy; ● respond effectively to competitive pressures and developments. We can also be negatively affected by general economic conditions. Because of our limited operating history, we may not have insight into trends that could emerge and negatively affect our business. As a result of these or other risks, our business strategy might not be successful. Our sales volumes and our operating results may fluctuate over the course of the year. Since we had our first sales in April 2021 and our official national launch commenced in October 2022, we have limited history with respect to how rapidly adoption of ~~the~~ **The** Catamaran System will occur. Sales growth could be slower than we have projected. Our sales and results of operations will be affected by numerous factors, including, among other things: ● payor coverage and reimbursement; ● maintaining our training schedule with clinicians; ● the number of procedures performed in the quarter and our ability to drive increased sales of our product; ● our ability to identify and sign- up independent sales representatives and their performance; ● pricing pressure applicable to our product, including adverse third- party coverage and reimbursement outcomes; ● timing of new product offerings, acquisitions, licenses or other significant events by us or our competitors; ● our ability to find and develop relationships with contract manufacturers and their ability to timely provide us with an adequate supply of products; ● the evolving product offerings of our competitors; ● the demand for, and pricing of, our product and the products of our competitors; ● factors that may affect the sale of our product, including seasonality and budgets of our customers ~~; ● ability of clinicians to do our procedure given possible COVID restrictions~~ ; ● interruption in the manufacturing or distribution of our product; ● the effect of competing technological, industry and market developments; ● our ability to expand the geographic reach of our sales and marketing efforts; ● the costs of maintaining adequate insurance coverage, including product liability insurance; ● the availability and cost of components and materials needed by our contract manufacturers; ● the number of selling days in the quarter; and ● impairment and other special charges. Some of the products we may seek to develop and introduce in the future will require FDA clearance or approval before commercialization in the United States. As a result, it will be difficult for us to forecast demand for these products with any degree of certainty. In addition, we will be increasing our operating expenses as we expand our commercial capabilities. Accordingly, we may experience significant, unanticipated quarterly losses. If our quarterly or annual operating results fall below the expectations of investors or securities analysts, the price of our common stock could decline substantially. Furthermore, any quarterly or annual fluctuations in our operating results may, in turn, cause the price of our common stock to fluctuate substantially. Quarterly comparisons of our financial results may not always be meaningful and should not be relied upon as an indication of our future performance. If we do not successfully implement our business strategy, our business and results of operations will be adversely affected. Our business strategy was based on assumptions about the market that might prove wrong. We believe that various demographics and industry- specific trends will help drive growth in the market and our business, but these demographics and trends have been and will continue to be uncertain. Actual demand for our product could differ materially from projected demand if our assumptions regarding these factors prove to be incorrect or do not materialize, or if alternative treatments to

those offered by our product gains widespread acceptance. Also, our strategy of focusing exclusively on the SI- Joint market may limit our ability to grow. In addition, in order to increase our sales, we will need to identify and contract with independent sales representatives in existing and new regions as well, and in the future, commercialize new products. Moreover, we may decide to alter or discontinue aspects of our business strategy and may adopt different strategies due to business or competitive factors not currently foreseen, such as new medical technologies that would make our product obsolete. Any failure to implement our business strategy may adversely affect our business, results of operations, and financial condition. Our business could suffer if we lose the services of key members of our senior management, key advisors or personnel. We are dependent upon the continued services of key members of our senior management and a number of key advisors and personnel. The loss of members of our senior management team, key advisors or personnel, or our inability to attract or retain other qualified personnel or advisors, could have a material adverse effect on our business, results of operations, and financial condition. We do not maintain " key person " insurance for any of our executives or employees. In addition, several of the members of our executive management team are not subject to non- competition agreements that restrict their ability to compete with us. Accordingly, the adverse effect resulting from the loss of certain executives could be compounded by our inability to prevent them from competing with us. Various factors outside our direct control may adversely affect manufacturing and distribution of our product. The manufacture and distribution of our product is challenging. Changes that our contract manufacturers may make outside the purview of our direct control can have an impact on our processes, quality of our product, and the successful delivery of products to our customers. Mistakes and mishandling are not uncommon and can affect supply and delivery. Some of these risks include: ● failure to manufacture in compliance with the required regulatory standards; ● transportation risk; ● the cost and availability of components and supplies required by our contract manufacturers to manufacture our products; ● delays in analytical results or failure of analytical techniques that we will depend on for quality control and release of products; ● natural disasters, labor disputes, financial distress, raw material availability, issues with facilities and equipment, or other forms of disruption to business operations affecting our manufacturers or their suppliers; and ● latent defects that may become apparent after products have been released and that may result in a recall of such products. If any of these risks were to materialize, our ability to provide our product to customers on a timely basis would be adversely impacted. We are dependent on a limited number of contract manufacturers, some of them single- source and some of them in single locations, for our product, and the loss of any of these contract manufacturers, or their inability to provide us with an adequate supply of products in a timely and cost- effective manner, could materially adversely affect our business. We rely on contract manufacturers to supply our product. For us to be successful, our contract manufacturers must be able to provide us with product in substantial quantities, in compliance with regulatory requirements, in accordance with agreed upon specifications, at acceptable prices, and on a timely basis. We have a limited history with our current contract manufacturers and do not have long- term supply contracts with them. We are in the process of identifying and evaluating new contract manufacturers for our product. The inability to find the required contract manufacturers or the time required to switch contract manufacturers could adversely affect sales. In addition, our anticipated growth could strain the ability of our contract manufacturers to deliver an increasingly large supply of product. Contract manufacturers often experience difficulties in scaling up production, including financial issues, or problems with production yields and quality control and assurance. We use a small number of contract manufacturers for our instruments. Our dependence on such a limited number of contract manufacturers exposes us to risks, including, among other things: ● contract manufacturers may fail to comply with regulatory requirements or make errors in manufacturing that could negatively affect the safety or effectiveness of our product or cause delays in shipments of our product; ● some of our contract manufacturers have long lead times of 12 to 16 weeks and we may not be able to respond to unanticipated changes in customer orders, and if orders do not match forecasts, we or our contract manufacturers may have excess or inadequate inventory of materials and components; ● our contract manufacturers may be subject to price fluctuations due to a lack of long- term supply arrangements for key components; ● our contract manufacturers may lose access to critical services and components, resulting in an interruption in the manufacture, assembly and shipment of our product; ● we may experience delays in delivery by our contract manufacturers due to changes in demand from us or their other customers; ● fluctuations in demand for products that our contract manufacturers manufacture for others may affect their ability or willingness to deliver our product to us in a timely manner; ● our contract manufacturers may wish to discontinue supplying products or services to us for risk management reasons; ● we may not be able to find new or alternative contract manufacturers in a timely manner if our current contract manufacturers stop producing products; and ● our contract manufacturers may encounter financial hardships unrelated to our demand, which could inhibit their ability to fulfil our orders and meet our requirements. If any one or more of these risks materialize, it could significantly increase our costs and impact our ability to meet demand for our product. If we are unable to satisfy commercial demand for our product in a timely manner, our ability to generate revenue would be impaired, market acceptance of our product could be adversely affected, and customers may instead purchase or use our competitors' products. Additionally, we could be forced to seek alternative sources of supply. Because of the nature of our internal quality control requirements, regulatory requirements, and the custom and proprietary nature of our product, we may not be able to quickly engage additional or replacement contract manufacturers for our product and accessories. We may also be required to assess any potential new contract manufacturer' s compliance with all applicable regulations and guidelines, which could further impede our ability to obtain our product in a timely manner. As a result, we could incur increased product costs, experience delays in deliveries of our product, suffer damage to our reputation, and experience an adverse effect on our business and financial results. Failure of any of our contract manufacturers to meet our product demand level would limit our ability to meet our sales commitments to our customers and could have a material adverse effect on our business. We may also have difficulty obtaining similar product from other contract manufacturers that are acceptable to the FDA and the failure of our contract manufacturers to comply with strictly enforced regulatory requirements could expose us to delays in obtaining clearances or approvals, regulatory action including warning letters, product recalls, termination of distribution, product seizures, civil, administrative, or criminal penalties. We could incur

delays while we locate and engage qualified alternative contract manufacturers, and we may be unable to engage alternative contract manufacturers on favorable terms or at all. Any such disruption or increased expenses could harm our commercialization efforts and adversely affect our ability to generate sales. In addition, we expect that most of our contract manufacturers will operate at a facility in a single location and substantially all their inventory of component supplies and finished goods will be held at these locations. We, and our contract manufacturers, will take precautions to safeguard facilities, including acquiring insurance, adopting health and safety protocols, and utilizing off- site storage of computer data. However, vandalism, terrorism, or a natural or other disaster, such as an earthquake, fire, or flood, could damage or destroy equipment or component supplies or finished product, cause substantial delays in our operations, result in the loss of key information, and cause us to incur additional expenses. Our insurance may not cover our losses in any particular case. In addition, regardless of the level of insurance coverage, damage to our or our contract manufacturers' facilities could harm our business, financial condition, and operating results. As our sales grow, our contract manufacturers may encounter problems or delays in the manufacturing of our product or fail to meet certain regulatory requirements which could result in an adverse effect on our business and financial results. To become profitable, our contract manufactures must manufacture our product in adequate quantities in compliance with regulatory requirements and at an acceptable cost. Increasing their capacity to manufacture and inspect our product may require them to improve internal efficiencies or require us to re- design or change the specifications of our product. Our contract manufacturers may encounter several difficulties in increasing this capacity, including: ● managing production yields; ● maintaining quality control and assurance; ● providing component and service availability; ● maintaining adequate control policies and procedures; ● hiring and retaining qualified personnel; and ● complying with state, federal, and foreign regulations. If we are unable to satisfy commercial demand for ~~the~~ **The** Catamaran System due to our contract manufacturer' s inability to manufacture and inspect our product, our ability to generate revenue would be impaired, market acceptance of our product could be adversely affected and customers may instead purchase or use our competitors' products. The size and future growth in the market for the SI- Joint fixation market have not been established based on market reports and our estimates are based on our own review and analysis of public information and may be smaller than we estimate, possibly materially. In addition, our estimates of cost savings to the economy and healthcare system as a result of ~~the~~ **The** Catamaran System procedure are based on our internal estimates and market research and could also be smaller than we estimate, possibly materially. If our estimates and projections overestimate the size of this market or cost savings, our sales growth may be adversely affected. We are not aware of an independent third- party study that reliably reports the potential market size for the SI- Joint fixation market. Therefore, our estimates of the size and future growth in the market for ~~the~~ **The** Catamaran System product, including cost savings to the economy overall, including patients and employers, and to the healthcare system and the number of people currently suffering from lower back pain who may benefit from and be amenable to our procedure, is based on a number of internal and third- party studies, surveys, reports, and estimates. While we believe these factors have historically provided and may continue to provide us with effective tools in estimating the total market for our product and procedures and health cost savings, these estimates may not be correct and the conditions supporting our estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors. For example, we have consulted with our clinical advisors and utilized public information as the basis for our market projections. Additionally, the surveys we have conducted are based on a small number of respondents and are not statistically significant and may have other limitations. The actual incidence of lower back pain, and the actual demand for our product or competitive products, could differ materially from our projections if our assumptions and estimates are incorrect. As a result, our estimates of the size and future growth in the market for our product may prove to be incorrect. In addition, actual health cost savings to the healthcare system as a result of ~~the~~ **The** Catamaran System procedure may materially differ from those presented in this report. If the actual number of people with lower back pain who would benefit from ~~the~~ **The** Catamaran System and the size and future growth in the market and related costs savings to the healthcare system is smaller than we have estimated, it may impair our projected sales growth and have an adverse impact on our business. In the future our product may become obsolete, which would negatively affect operations and financial condition. The medical device industry is characterized by rapid and significant change. There can be no assurance that other companies will not succeed in developing or marketing devices, and products that are more effective than ~~the~~ **The** Catamaran System or that would render ~~the~~ **The** Catamaran System obsolete or non- competitive. Additionally, new surgical procedures, medications and other therapies could be developed that replace or reduce the importance of our product. Accordingly, our success will depend in part on our ability to respond quickly to medical and changes through the development and introduction of new products. Product development involves a high degree of risk and there can be no assurance that our new product development efforts will result in any commercially successful products. If we experience significant disruptions in our information technology systems, our business, results of operations, and financial condition could be adversely affected. The efficient operation of our business depends on our information technology systems. We will rely on our information technology systems to effectively manage: ● sales and marketing, accounting, and financial functions; ● inventory management; ● engineering and product development tasks; and ● our research and development data. Our information technology systems are vulnerable to damage or interruption from: ● earthquakes, fires, floods, and other natural disasters; ● terrorist attacks and attacks by computer viruses or hackers; ● power losses; and ● computer systems, or Internet, telecommunications, or data network failures. The failure of our information technology systems to perform as we anticipate or our failure to effectively implement new systems could disrupt our entire operation and could result in decreased sales, increased overhead costs, excess inventory and product shortages, and legal liability issues, all of which could have a material adverse effect on our reputation, business, results of operations, and financial condition. We may seek to grow our business through acquisitions of or investments in new or complementary businesses, products or technologies, and the failure to manage acquisitions or investments, or the failure to integrate them with our existing business, could have a material adverse effect on us. From time to time, we expect to consider opportunities to acquire or make investments in other technologies, products, and businesses that may enhance our capabilities,

complement our current product, or expand the breadth of our markets or customer base. Potential and completed acquisitions and strategic investments involve numerous risks, including: ● problems assimilating the purchased technologies, products, or business operations; ● issues maintaining uniform standards, procedures, controls, and policies; ● unanticipated costs and liabilities associated with acquisitions; ● diversion of management' s attention from our core business; ● adverse effects on existing business relationships with suppliers and customers; ● risks associated with entering new markets in which we have limited or no experience; ● potential loss of key employees of acquired businesses; and ● increased legal and accounting compliance costs. We have no current commitments with respect to any acquisition or investment. We do not know if we will be able to identify acquisitions, we deem suitable, whether we will be able to successfully complete any such acquisitions on favorable terms or at all, or whether we will be able to successfully integrate any acquired business, product, or technology into our business or retain any key personnel, suppliers, or distributors. Our ability to successfully grow through acquisitions depends upon our ability to identify, negotiate, complete, and integrate suitable target businesses and to obtain any necessary financing. These efforts could be expensive and time consuming and may disrupt our ongoing business and prevent management from focusing on our operations. If we are unable to successfully integrate any acquired businesses, products, or technologies effectively, our business, results of operations, and financial condition will be materially adversely affected. We may enter into collaborations, in- licensing arrangements, joint ventures, strategic alliances, or partnerships with third- parties that may not result in the development of commercially viable products or the generation of significant future revenue. In the ordinary course of our business, we may enter into collaborations, in- licensing arrangements, joint ventures, strategic alliances, partnerships, or other arrangements to develop products and to pursue new markets. We have not entered into any collaboration arrangements to date. Proposing, negotiating, and implementing collaborations, in- licensing arrangements, joint ventures, strategic alliances, or partnerships may be a lengthy and complex process. Other companies, including those with substantially greater financial, marketing, sales, technology, or other business resources, may compete with us for these opportunities or arrangements. We may not identify, secure, or complete any such transactions or arrangements in a timely manner, on a cost- effective basis, on acceptable terms or at all. We have limited institutional knowledge and experience with respect to these business development activities, and we may also not realize the anticipated benefits of any such transaction or arrangement. These collaborations may not result in the development of products that achieve commercial success or result in significant revenue and could be terminated prior to developing any products. Additionally, we may not be able to exercise sole decision- making authority regarding the transaction or arrangement, which could create the potential risk of creating impasses on decisions, and our future collaborators may have economic or business interests or goals that are, or that may become, inconsistent with our business interests or goals. It is possible that conflicts may arise with our collaborators, such as conflicts concerning the achievement of performance milestones, or the interpretation of significant terms under any agreement, such as those related to financial obligations or the ownership or control of intellectual property developed during the collaboration. If any conflicts arise with any future collaborators, they may act in their self- interest, which may be adverse to our best interest, and they may breach their obligations to us. In addition, we may have limited control over the amount and timing of resources that any future collaborators devote to our or their future products. Disputes between us and our collaborators may result in litigation or arbitration which would increase our expenses and divert the attention of our management. Further, these transactions and arrangements will be contractual in nature and will generally be terminable under the terms of the applicable agreements and, in such event, we may not continue to have rights to the products relating to such transaction or arrangement or may need to purchase such rights at a premium. If we enter into in- bound intellectual property license agreements, we may not be able to fully protect the licensed intellectual property rights or maintain those licenses. Future licensors could retain the right to prosecute and defend the intellectual property rights licensed to us, in which case we would depend on the ability of our licensors to obtain, maintain and enforce intellectual property protection for the licensed intellectual property. These licensors may determine not to pursue litigation against other companies or may pursue such litigation less aggressively than we would. Further, entering into such license agreements could impose various diligence, commercialization, royalty, or other obligations on us. Future licensors may allege that we have breached our license agreement with them, and accordingly seek to terminate our license, which could adversely affect our competitive business position and harm our business prospects. We are increasingly dependent on information technology, and our systems and infrastructure face certain risks, including cybersecurity and data leakage risks. Significant disruptions to our information technology systems or breaches of information security could adversely affect our business. In the ordinary course of business, we will collect, store and transmit large amounts of confidential information, and it is critical that we do so in a secure manner to maintain the confidentiality and integrity of such information. We have also outsourced significant elements of our information technology infrastructure; as a result, we manage independent vendor relationships with third parties who are responsible for maintaining significant elements of our information technology systems and infrastructure and who may or could have access to our confidential information. The size and complexity of our information technology systems, and those of our third- party vendors, make such systems potentially vulnerable to service interruptions and security breaches from inadvertent or intentional actions by our employees, partners or vendors. These systems are also vulnerable to attacks by malicious third parties and may be susceptible to intentional or accidental physical damage to the infrastructure maintained by us or by third parties. Maintaining the secrecy of confidential, proprietary and / or trade secret information is important to our competitive business position. While we have taken steps to protect such information and have invested in systems and infrastructures to do so, there can be no guarantee that our efforts will prevent service interruptions or security breaches in our systems or the unauthorized or inadvertent wrongful use or disclosure of confidential information that could adversely affect our business operations or result in the loss, dissemination or misuse of critical or sensitive information. The increasing sophistication and frequency of cybersecurity threats, including targeted data breaches, ransomware attacks designed to encrypt our data for ransom and other malicious cyber activities, pose a significant risk to the integrity and confidentiality of our data systems. A breach our security measures or the accidental loss, inadvertent disclosure, unapproved

dissemination, misappropriation or misuse of trade secrets, proprietary information or other confidential information, whether as a result of theft, hacking, fraud, trickery or other forms of deception, or for any other cause, could enable others to produce competing products, use our proprietary technology or information, and / or adversely affect our business position. Further, any such interruption, security breach, loss or disclosure of confidential information could result in financial, legal, business and reputational harm to us and could have a material adverse effect on our business, financial position, results of operations and / or cash flow. Geopolitical conditions, including trade disputes and direct or indirect acts of war or terrorism, could have an adverse effect on our operations and financial results. Our operations could be disrupted by geopolitical conditions, political and social instability, acts of war, terrorist activity or other similar events. In February 2022, Russia initiated significant military action against Ukraine. In response, the U. S. and certain other countries imposed significant sanctions and export controls against Russia, Belarus and certain individuals and entities connected to Russian or Belarusian political, business, and financial organizations, and the U. S. and certain other countries could impose further sanctions, trade restrictions, and other retaliatory actions should the conflict continue or worsen. It is not possible to predict the broader consequences of the conflict, including related geopolitical tensions, and the measures and retaliatory actions taken by the U. S. and other countries in respect thereof as well as any counter measures or retaliatory actions by Russia or Belarus in response, including, for example, potential cyberattacks or the disruption of energy exports, is likely to cause regional instability, geopolitical shifts, and could materially adversely affect global trade, currency exchange rates, regional economies and the global economy. In addition, the ongoing conflicts in the Middle East may further impact global economic conditions and market sentiments. This, in turn, could adversely affect the trading price of our shares of common stock and investor interest in us. The outcome of the Russia- Ukraine war and conflicts in the Middle East remain uncertain, and while it is difficult to predict the impact of any of the foregoing, the conflict and actions taken in response to the conflict could increase our costs, disrupt our supply chain, reduce our sales and earnings, impair our ability to raise additional capital when needed on acceptable terms, if at all, or otherwise adversely affect our business, financial condition, and results of operations. Inflation may adversely affect our operations and financial results. In periods of rising inflation, the cost of raw materials, components and labor essential for manufacturing ~~the~~ **The** Catamaran System may increase and as a consequence, our overall profit margin may be adversely affected. In addition, inflation may result in limitations on healthcare spending, specifically for procedures that are deemed elective or non- critical, which may include treatments utilizing ~~the~~ **The** Catamaran System. A decrease in demand for these procedures may significantly impact our financial condition and results of operations ~~. The failure of Silicon Valley Bank could cause us to lose our deposits in excess of the federally insured bank deposit limitation. On March 10, 2023, the Federal Deposit Insurance Corporation (the " FDIC ") took control of Silicon Valley Bank (" SVB ") and created the National Bank of Santa Clara to hold the deposits of SVB after SVB was unable to continue their operations. SVB' s deposits are insured by the FDIC in amount up to $ 250, 000 for any depositor and any deposit in excess of this insured amount could be lost. As of March 10, 2023, we had approximately $ 585, 000 on deposit with SVB, of which approximately $ 335, 000 will not be insured by the FDIC (the " Uninsured Amount "). We expect to have access to the insured portion of our SVB deposit in the coming days, but do not know when, if ever, we will have access to the Uninsured Amount. The loss of all or a significant portion of the Uninsured Amount would not have an adverse effect on our ability to pay our operational expenses or make other payments, but may require the Company to move our accounts to another bank which could cause a temporary delay in making payments to our vendors and employees and cause other operational inconveniences~~ . Risks Related to Our Legal and Regulatory Environment We and our contract manufacturers are subject to extensive governmental regulation both in the United States and abroad, and failure to comply with applicable requirements could cause our business to suffer. The medical device industry is regulated extensively by governmental authorities, principally the FDA and corresponding state and foreign regulatory agencies. The FDA and other U. S. and foreign governmental agencies regulate, among other things, with respect to medical devices: ● design, development, and manufacturing; ● testing, labeling, content, and language of instructions for use and storage; ● clinical trials; ● product safety; ● marketing, sales, and distribution; ● premarket clearance and approval; ● conformity assessment procedures; ● record keeping procedures; ● advertising and promotion; ● compliance with good manufacturing practices requirements; ● recalls and field safety corrective actions; ● post- market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury; ● post- market approval studies; and ● product import and export. The regulations to which we are subject are complex and have tended to become more stringent over time. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, difficulties achieving new product clearances, higher than anticipated costs or lower than anticipated sales. Before we can market or sell a new regulated product or make a significant modification to an existing product in the United States, with very limited exception, we must obtain either clearance under Section 510 (k) of the FDCA for Class II devices or approval of a premarket approval application from the FDA for a Class III device. In the 510 (k) clearance process, the FDA must determine that a proposed device is " substantially equivalent " to a device legally on the market, known as a " predicate " device, with respect to intended use, technology, and safety and effectiveness, in order to clear the proposed device for marketing. Clinical data is sometimes required to support substantial equivalence. The PMA pathway requires an applicant to demonstrate the safety and effectiveness of the device based, in part, on extensive data, including, but not limited to, technical, preclinical, clinical trial, manufacturing, and labeling data. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life- sustaining, life-supporting, or implantable devices. Products that are approved through a PMA application generally need FDA approval before they can be modified. Similarly, some modifications made to products cleared through a 510 (k) may require a new 510 (k). Both the 510 (k) and PMA processes can be expensive and lengthy and require the payment of significant fees, unless exempt. The FDA' s 510 (k) clearance process usually takes from three to 12 months but may last longer. The process of obtaining a PMA is much more costly and uncertain than the 510 (k) clearance process and generally takes from one to three years, or even longer, from the time the application is submitted to the FDA until an approval is obtained. The process of obtaining domestic

and international regulatory clearances or approvals to market a medical device can be costly and time consuming, and we may not be able to obtain these clearances or approvals on a timely basis, if at all. In the United States, all of the components to ~~the~~ **The** Catamaran System have either received premarket clearance under Section 510 (k) of the FDCA or are exempt from premarket review. If the FDA requires us to go through a lengthier, more rigorous examination for future products or modifications to existing products than we had expected, our product introductions or modifications could be delayed or canceled, which could cause our sales to decline. In addition, the FDA may determine that future products will require the more costly, lengthy, and uncertain PMA process. Although we do not currently market any devices under PMA, the FDA may demand that we obtain a PMA prior to marketing certain of our future products. In addition, if the FDA disagrees with our determination that a product, we currently market is subject to an exemption from premarket review, the FDA may require us to submit a 510 (k) or PMA in order to continue marketing the product. Further, even with respect to those future products where a PMA is not required, we cannot assure you that we will be able to obtain the 510 (k) clearances with respect to those products. The FDA can delay, limit or deny clearance or approval of a device for many reasons, including: ● we may not be able to demonstrate to the FDA' s satisfaction that our product is safe and effective for their intended users; ● the data from our pre-clinical studies and clinical trials may be insufficient to support clearance or approval, where required; and ● the manufacturing process or facilities we use may not meet applicable requirements. In addition, the FDA may change its clearance and approval policies, adopt additional regulations or revise existing regulations, or take other actions which may prevent or delay clearance or approval of our product under development or impact our ability to modify our currently approved or cleared product on a timely basis. Any delay in, or failure to receive or maintain, clearance or approval for our product under development could prevent us from generating revenue from these products or achieving profitability. In addition, even after we have obtained the proper regulatory clearance or approval to market a product, the FDA has the power to require us to conduct post- market surveillance on our product. These studies can be very expensive and time consuming to conduct. Failure to comply with those studies in a timely manner could result in the revocation of the 510 (k) clearance for a product that is subject to such surveillance and the recall or withdrawal of the product, which could prevent us from generating sales from that product in the United States. Additionally, as part of the conformity assessment process, medical device manufacturers must carry out a clinical evaluation of their medical devices to verify that they comply with the relevant Essential Requirements covering safety and performance. A clinical evaluation includes an assessment of whether a medical device' s performance is in accordance with its intended use and that the known and foreseeable risks linked to the use of the device under normal conditions are minimized and acceptable when weighed against the benefits of its intended purpose. The clinical evaluation conducted by the manufacturer must also address any clinical claims, the adequacy of the device labeling and information (particularly claims, contraindications, precautions / warnings) and the suitability of related Instructions for Use. This assessment must be based on clinical data, which can be obtained from (i) clinical studies conducted on the devices being assessed; (ii) scientific literature from similar devices whose equivalence with the assessed device can be demonstrated; or (iii) both clinical studies and scientific literature. The FDA and other regulatory authorities have broad enforcement powers. Regulatory enforcement or inquiries, or other increased scrutiny on us, could dissuade some clinicians from using our product and adversely affect our reputation and the perceived safety and effectiveness of our product. Failure to comply with applicable regulations could jeopardize our ability to sell our product and result in enforcement actions such as: ● warning letters; ● fines; ● injunctions; ● civil penalties; ● termination of distribution; ● recalls or seizures of products; ● delays in the introduction of products into the market; ● total or partial suspension of production; ● facility closures; ● refusal of the FDA other regulators to grant future clearances or approvals; or ● in the most serious cases, criminal penalties. Adverse action by an applicable regulatory agency the FDA could result in inability to produce our product in a cost- effective and timely manner, or at all, decreased sales, higher prices, lower margins, additional unplanned costs or actions, damage to our reputation, and could have material adverse effect on our reputation, business, results of operations, and financial condition. We and our independent sales representatives must comply with U. S. federal and state fraud and abuse laws, including those relating to physician kickbacks and false claims for reimbursement. Healthcare providers, distributors, physicians, and third- party payors play a primary role in the distribution, recommendation, ordering, and purchasing of any implant or other medical device for which we have or obtain marketing clearance or approval. Through our arrangements with customers and third- party payors, we are exposed to the risk that our employees, independent contractors, principal investigators, consultants, vendors, or independent sales representatives may engage in fraudulent or other illegal activity. Misconduct by these parties could include, among other infractions or violations, intentional, reckless and / or negligent conduct or unauthorized activity that violates FDA regulations, manufacturing standards, federal and state healthcare fraud and abuse laws and regulations, laws that require the true, complete, and accurate reporting of financial information or data, other commercial or regulatory laws or requirements, and equivalent foreign rules. We plan to implement a compliance program, code of conduct, and associated policies and procedures, but it is not always possible to identify and deter misconduct by our employees and other third parties, and the precautions we plan to take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations, and government authorities may conclude that our business practices do not comply with applicable fraud and abuse or other healthcare laws and regulations or guidance despite our good faith efforts to comply. There are numerous U. S. federal and state laws pertaining to healthcare fraud and abuse, including anti- kickback and false claims laws. Our relationships with clinicians, other healthcare professionals, and hospitals are subject to scrutiny under these laws. Healthcare fraud and abuse laws and related regulations are complex, and even minor irregularities can potentially give rise to claims that a statute or prohibition has been violated. The laws that may affect our ability to operate include: ● the federal Anti- Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, items or services for which payment may be

made, in whole or in part, under federal healthcare programs, such as the Medicare and Medicaid programs; ● the federal False Claims Act, which prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, false or fraudulent claims for payment of government funds; knowingly making, using, or causing to be made or used, a false record or statement to get a false claim paid or to avoid, decrease, or conceal an obligation to pay money to the federal government. 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 False Claims Act. There are also criminal penalties for making or presenting a false or fictitious or fraudulent claim to the federal government; ● the federal Health Insurance Portability and Accountability Act of 1996, which imposes criminal and civil liability for, among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program including private third- party payors, or knowingly and willfully falsifying, concealing, or covering up a material fact or making a materially false, fictitious, or fraudulent statement or representation, or making or using any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items, or services; ● the federal Physician Payment Sunshine Act, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid, or the Children' s Health Insurance Program to report annually to the Centers for Medicare & Medicaid Services information related to payments or other " transfers of value " made to physicians and teaching hospitals, and requires applicable manufacturers to report annually to CMS ownership and investment interests held by physicians and their immediate family members and payments or other " transfers of value " to such physician owners; and ● analogous state law equivalents of each of the above federal laws, such as anti- kickback and false claims laws, which may apply to items or services reimbursed by any third- party payor, including commercial insurers; state laws that require device companies to comply with the industry' s voluntary compliance guidelines and the applicable compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state beneficiary inducement laws, and state laws that require device manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. If we or our employees are found to have violated any of the above laws we may be subjected to administrative, civil and criminal penalties, including imprisonment, exclusion from participation in federal healthcare programs, such as Medicare and Medicaid, and significant fines, monetary penalties and damages, and damage to our reputation. Additional information about these laws is provided in " Business — Regulation. " We have entered into consulting agreements with clinicians who are also customers. We anticipate entering into additional agreements with clinicians who use our product as we continue to commercialize our product. The primary mission of these clinician advisors is research and development and clinician education. Medical device technology development requires thoughtful clinician input from experienced healthcare professionals. Medical device clinician education requires experienced faculty for didactic and anatomic lab activities in a peer- to- peer setting. We believe these engagements will allow us to successfully meet the expectations of the physician community. In addition, a small number of clinicians (which are or may become customers) own less than 1. 0 % of our stock, or were granted stock options which they either purchased in an arm' s length transaction on terms identical to those offered to others or received from us as fair market value consideration for consulting services performed. While all of these transactions were structured with the intention of complying with all applicable laws, including the federal Anti- Kickback Statute, state anti- kickback laws and other applicable laws, to the extent applicable, it is possible that regulatory agencies may view these transactions as prohibited arrangements that must be restructured, or discontinued, or for which we could be subject to significant penalties. We would be materially and adversely affected if regulatory agencies interpret our financial relationships with clinicians who order our product to be in violation of applicable laws and we were unable to comply with such laws, which could subject us to, among other things, monetary penalties for non- compliance, the cost of which could be substantial. In certain cases, federal and state authorities pursue actions for false claims on the basis that manufacturers and distributors are promoting unapproved, or " off- label " uses of their products. Pursuant to FDA regulations, we can only market our product for cleared or approved uses. Although clinicians are permitted to use medical devices for indications other than those cleared or approved by the FDA, we are prohibited from promoting products for " off- label " uses. We market our product and provide promotional materials and training programs to clinicians regarding the use of our product. If it is determined that our marketing, promotional materials or training programs constitute promotion of unapproved uses, we could be subject to significant fines in addition to regulatory enforcement actions, including the issuance of a warning letter, injunction, seizure, criminal penalty, and damage to our reputation. Federal and state authorities also pursue actions for false claims based upon improper billing and coding advice or recommendations, as well as decisions related to the medical necessity of procedures, including the site- of- service where procedures are performed. Actions under the federal False Claims Act may also be brought by whistleblowers under its qui tam provisions. To enforce compliance with the federal laws, the U. S. Department of Justice has increased its scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Dealing with investigations can be time and resource consuming and can divert management' s attention from the business. Additionally, if a healthcare company settles an investigation with the Department of Justice or other law enforcement agencies, it may need to agree to additional onerous compliance and reporting requirements as part of a consent decree or corporate integrity agreement. Any such investigation or settlement could increase our costs or otherwise have an adverse effect on our business. Even if we are not determined to have violated these laws, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity, which could harm our financial condition and divert resources and the attention of our management from operating our business. The scope and enforcement of these laws is uncertain and subject to rapid change. The shifting compliance environment and the need to build and maintain robust and expandable systems to comply with different compliance

and / or reporting requirements in multiple jurisdictions increase the possibility that we may run afoul of one or more of the requirements or that federal or state regulatory authorities might challenge our current or future activities under these laws. Additionally, we cannot predict the impact of any changes in these laws, whether or not retroactive. Our failure to adequately protect personal information in compliance with evolving legal requirements could harm our business. In the ordinary course of our business, we plan to collect and store sensitive data, including legally protected personally identifiable information. We may collect this kind of information during the course of future clinical trials and for possible post- marketing safety vigilance, helping enable clinicians and their patients to pursue claims for reimbursement for procedures using ~~the~~ **The** Catamaran System and servicing potential warranty claims. There are a number of state, federal, and international laws protecting the privacy and security of health information and personal data. These data protection and privacy- related laws and regulations are evolving and may result in ever- increasing regulatory and public scrutiny of companies' data practices and escalating levels of enforcement and sanctions. As part of the American Recovery and Reinvestment Act 2009, or ARRA, Congress amended the privacy and security provisions of the Health Insurance Portability and Accountability Act, or HIPAA. HIPAA imposes certain requirements regarding the privacy, security, use, and disclosure of an individual' s protected health information, or PHI, by certain health care providers, health care clearinghouses, and health insurance plans, collectively referred to as " covered entities, " and their " business associates, " or subcontractors who provide services to covered entities that involve the creation, use, maintenance, or disclosure of PHI. ARRA included significant increases in the penalties for improper use or disclosure of an individual' s PHI under HIPAA and extended enforcement authority to state attorneys general. The amendments also created notification requirements applicable to covered entities and business associates in certain cases when PHI in their control has been inappropriately accessed or disclosed. In the case of a breach of unsecured PHI, covered entities may be required to provide notification to individuals affected by the breach, federal regulators, and, in some cases, local and national media. In addition to HIPAA, most states have laws requiring notification of affected individuals and state regulators in the event of a breach of " personal information, " which is a broader class of information than the PHI protected by HIPAA. Certain states also have data privacy requirements applicable to individually identifiable health information. Privacy laws in different states may contain different requirements, and such laws may not be pre- empted by HIPAA, which could complicate our efforts to comply. In addition, even when HIPAA does not apply, according to the FTC, failing to take appropriate steps to keep consumers' personal information secure constitutes unfair acts or practices in or affecting commerce in violation of Section 5 (a) of the FTCA, 15 U. S. C § 45 (a). The FTC expects a company' s data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Medical data is considered sensitive data that merits stronger safeguards. The FTC' s guidance for appropriately securing consumers' personal information is similar to what is required by the HIPAA Security Rule. Our failure to comply with applicable laws and regulations, or to protect such data, could result in enforcement actions against us, including fines, imprisonment of company officials and public censure, claims for damages by end- customers, and other affected individuals, and the imposition of integrity obligations and agency oversight, damage to our reputation, and loss of goodwill, any of which could harm on our operations, financial performance, and business. Evolving and changing definitions of personal data and personal information, within the United States, and elsewhere, may limit or inhibit our ability to operate or expand our business, including limiting strategic partnerships that may involve the sharing of data. Moreover, if the relevant laws and regulations change, or are interpreted and applied in a manner that is inconsistent with our data practices or the operation of our product, or if we expand into new regions and are required to comply with new requirements, we may need to expend resources in order to change our business operations, data practices, or the manner in which our product operates. Even the perception of privacy concerns, whether or not valid, may harm our reputation and inhibit adoption of our product. Even if our product is approved by regulatory authorities if our contract manufacturers fail to comply with ongoing FDA, or if we experience unanticipated problems with our products, these products could be subject to restrictions or withdrawal from the market. Any product for which we obtain regulatory clearance or approval, and the manufacturing processes, reporting requirements, post- approval clinical data, and promotional activities for such product, will be subject to continued regulatory review, oversight and periodic inspections by the FDA and other domestic bodies. In particular, we and our contract manufacturers are required to comply with FDA' s Quality System Regulations (" QSR ") for the manufacture of our product and other regulations which cover the methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, storage, and shipping of any product for which we obtain regulatory clearance or approval. The failure by us or one of our contract manufacturers to comply with applicable statutes and regulations, or the failure to timely and adequately respond to any adverse inspectional observations or product safety issues, could result in, among other things, any of the following enforcement actions: ● untitled letters, warning letters, fines, injunctions, consent, and civil penalties; ● unanticipated expenditures to address or defend such actions; ● customer notifications for repair, replacement, refunds; ● recall, detention, or seizure of our product; ● operating restrictions or partial suspension or total shutdown of production; ● refusing or delaying our requests for 510 (k) clearance or premarket approval and conformity assessments of new products or modified products; ● limitations on the intended uses for which the product may be marketed; ● operating restrictions; ● withdrawing 510 (k) clearances or PMA approvals that have already been granted; or ● criminal prosecution. In addition, we may be required to conduct costly post- market testing and surveillance to monitor the safety or effectiveness of our product, and we must comply with medical device reporting requirements, including the reporting of adverse events and malfunctions related to our product. Later discovery of previously unknown problems with our product, including unanticipated adverse events or adverse events of unanticipated severity or frequency, manufacturing problems, or failure to comply with regulatory requirements such as QSR, may result in changes to labeling, restrictions on such products or manufacturing processes, withdrawal of the products from the market, voluntary or mandatory recalls, a requirement to repair, replace, or refund the cost of any medical device we manufacture or distribute, fines, suspension, variation, or withdrawal of regulatory approvals product seizures, injunctions, or

the imposition of civil, administrative, or criminal penalties which would adversely affect our business, operating results, and prospects. If the FDA determines that our promotional materials, labeling, training or other marketing or educational activities constitute promotion of an unapproved use, it could request that we cease or modify our training or promotional materials or subject us to regulatory enforcement actions. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our training or other promotional materials to constitute promotion of an unapproved use, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false or fraudulent claims for payment of government funds. If any of these actions were to occur it would harm our reputation and cause our product sales and profitability to suffer and may prevent us from generating revenue. Furthermore, our key component suppliers may not currently be or may not continue to be in compliance with all applicable regulatory requirements, which could result in our failure to produce our product on a timely basis and in the required quantities, if at all. The FDA has not yet inspected our facility, but we expect an inspection in the future. Our employees, independent contractors, consultants, contract manufacturers, and our independent sales representatives may engage in misconduct or other improper activities, relating to regulatory standards and requirements. We are exposed to the risk that our employees, independent contractors, consultants, contract manufacturers, and our independent sales representatives may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless and / or negligent conduct or disclosure of unauthorized activities to us that violates FDA regulations, including those laws requiring the reporting of true, complete and accurate information to the FDA, manufacturing standards, federal and state healthcare laws and regulations, and laws that require the true, complete and accurate reporting of financial information or data. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs, and other business arrangements. Misconduct by these parties could also involve the improper use of individually identifiable information, including, without limitation, information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. We plan to implement a compliance program, code of conduct and associated policies and procedures, but it is not always possible to identify and deter misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant civil, criminal, and administrative penalties, including, without limitation, damages, fines, disgorgement of profits, imprisonment, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. We may be subject to enforcement action, including fines, penalties or injunctions, if we are determined to be engaging in the off- label promotion of our product. Our promotional materials and training methods must comply with FDA and other applicable laws and regulations, including the prohibition of the promotion of off- label use. Physicians may use our product off- label, as the FDA does not restrict or regulate a physician' s choice of treatment within the practice of medicine. In the United States, the full indication for ~~the~~ **The** Catamaran System is: " The Tenon Catamaran Sacroiliac Joint Fixation System (CAT SIJ Fixation System) is intended for sacroiliac joint fusion for conditions including sacroiliac joint disruptions and degenerative sacroiliitis. " Contraindications are patients with the following conditions: skeletally immature spines; deformities; severe osteoporosis; morbid obesity, tumor resection and active infection at treatment site. We believe that the specific surgical procedures for which our product are marketed fall within the scope of the surgical applications that have been cleared by the FDA. However, if the FDA determines that our promotional materials or training constitutes promotion of an off- label use, it could request that we modify our training or promotional materials, require us to stop promoting our product for those specific procedures until we obtain FDA clearance or approval for them, or subject us to regulatory or enforcement actions, including the issuance of an untitled letter, a warning letter, injunction, seizure, civil fines, and criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider our promotional or training materials to constitute promotion of an unapproved use, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false or fraudulent claims for payment of government fund. In that event, our reputation could be damaged, and adoption of the product would be impaired. Although our policy is to refrain from statements that could be considered off- label promotion of our product, the FDA or another regulatory agency could disagree and conclude that we have engaged in off- label promotion. In addition, the off- label use of our product may increase the risk of injury to patients, and, in turn, the risk of product liability claims. Product liability claims are expensive to defend and could divert our management' s attention, result in substantial damage awards against us and harm our reputation. We are required to report certain malfunctions, deaths, and serious injuries associated with our product, which can result in voluntary corrective actions or agency enforcement actions. Further, under the FDA' s medical device reporting regulations, we are required to report to the FDA any information that our product may have caused or contributed to a death or serious injury or in which our product malfunctioned and, if the malfunction were to recur, would likely cause or contribute to death or serious injury. If we fail to report these events to the FDA within the required timeframes, or at all, FDA could take enforcement action against us. Any such adverse event involving our product or repeated product malfunctions may result in a voluntary or involuntary corrective actions, such as recalls or customer notifications, or agency action, such as inspection or enforcement action. Any corrective action, whether voluntary or involuntary, as well as defending ourselves in a lawsuit could divert managerial and financial resources, impair our ability to manufacture our product in a cost- effective and timely manner, and have an adverse effect on our reputation, results of operations, and financial condition. Any adverse event involving our product in the United States could result in future voluntary corrective actions, such as recalls, including corrections, or customer notifications, or agency action, such as inspection or enforcement actions. If malfunctions do occur, we may be unable to correct the malfunctions adequately or prevent further malfunctions, in which case we may need to cease manufacture and distribution of the affected products, initiate voluntary recalls, and redesign the products.

Regulatory authorities may also take actions against us, such as ordering recalls, imposing fines, or seizing the affected products. Any corrective action, whether voluntary or involuntary, will require the dedication of our time and capital, distract management from operating our business, and may harm our reputation and financial results. A recall of our product, either voluntarily or at the direction of the FDA or the discovery of serious safety issues or malfunctions with our product, can result in voluntary corrective actions or agency enforcement actions, which could have a significant adverse impact on us. The FDA has the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture or in the event that a product poses an unacceptable risk to health. Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. In the case of the FDA, the authority to require a recall must be based on an FDA finding that there is an unreasonable risk of substantial public harm. In addition, foreign governmental bodies have the authority to require the recall of our product in the event of material deficiencies or defects in design or manufacture. A government- mandated or voluntary recall by us or one of the independent sales representatives could occur as a result of an unacceptable risk to health, component failures, manufacturing errors, design or labeling defects, or other deficiencies and issues. Recalls of any of our product would divert managerial and financial resources and have an adverse effect on our reputation, results of operations, and financial condition, which could impair our ability to produce our product in a cost-effective and timely manner in order to meet our customers' demands. We may also be required to bear other costs or take other actions that may have a negative impact on our future sales and our ability to generate profits. The FDA requires that certain classifications of recalls be reported to FDA within 10 working days after the recall is initiated. Companies are required to maintain certain records of recalls, even if they are not reportable to the FDA. We may initiate voluntary recalls involving our product in the future that we determine do not require notification of the FDA. If the FDA disagrees with our determinations, they could require us to report those actions as recalls. A future recall announcement could harm our reputation with customers and negatively affect our sales. In addition, the FDA could take enforcement action for failing to report the recalls when they were conducted. Modifications to our product may require new 510 (k) clearances or premarket approvals may require us to cease marketing or recall the product until clearances Any modification to a 510 (k)- cleared device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, design, or manufacture, requires a new 510 (k) clearance or, possibly, a PMA. The FDA requires every manufacturer make and document this determination in the first instance. A manufacturer may determine that a modification could not significantly affect safety or effectiveness and does not represent a major change in its intended use, so that no new 510 (k) clearance is necessary. FDA may review any manufacturer' s decision and may not agree with our decisions regarding whether new clearances or approvals are necessary. The FDA may also on its own initiative determine that a new clearance or approval is required. We have modified our product and have determined based on our review of the applicable FDA guidance that a new 510 (k) clearances or PMAs is not required. If the FDA disagrees with our determination and requires us to submit new 510 (k) clearances or PMAs for modifications to our previously cleared products for which we have concluded that new clearances or approvals are unnecessary, we may be required to cease marketing or to recall the modified product until we obtain clearance or approval, and we may be subject to significant enforcement action, regulatory fines, or penalties. If a manufacturer determines that a modification to an FDA- cleared device could significantly affect its safety or effectiveness or would constitute a major change in its intended use, then the manufacturer must file for a new 510 (k) clearance or possibly a premarket approval application. Where we determine that modifications to our product require a new 510 (k) clearance or premarket approval application, we may not be able to obtain those additional clearances or approvals for the modifications or additional indications in a timely manner, or at all. FDA' s ongoing review of the 510 (k) programs may make it more difficult for us to make modifications to our previously cleared products, either by imposing more strict requirements on when a new 510 (k) for a modification to a previously cleared product must be submitted or applying more onerous review criteria to such submissions. Clinical trials necessary to support a 510 (k) or reimbursement may require the enrollment of large numbers of patients, and suitable patients may be difficult to identify and recruit. Delays or failures in our clinical trials could affect third party reimbursement as many of the payors want to see peer reviewed articles to maintain coverage and lack of changes in reimbursement could materially slow down our commercial efforts and affect our revenue projections. The results of our clinical trials may not support our product candidate claims or may result in the discovery of adverse side effects. If our clinical trials are completed as planned, we cannot be certain that their results will support our product marketing claims or third party reimbursors will agree with our conclusions regarding them. The clinical trial process may fail to demonstrate efficacy and cost effectiveness of our product and may hinder the adoption of our product or ability to obtain payor coverage. It is also possible that patients enrolled in clinical trials will experience adverse side effects that are not currently part of the product candidate' s profile. We may incur product liability losses, and insurance coverage may be inadequate or unavailable to cover these losses. Our business exposes us to potential product liability claims that are inherent in the testing, design, manufacture, and sale of medical devices for SI- Joint surgery procedures. SI- Joint surgery involves significant risk of serious complications, including bleeding, nerve injury, paralysis, and even death. In addition, if longer- term patient results and experience indicates that our product or any component of such product cause tissue damage, motor impairment, or other adverse effects, we could be subject to significant liability. Clinicians may misuse or ineffectively use our product, which may result in unsatisfactory patient outcomes or patient injury. We could become the subject of product liability lawsuits alleging that component failures, manufacturing flaws, design defects, or inadequate disclosure of product- related risks or product- related information resulted in an unsafe condition or injury to patients. Product liability lawsuits and claims, safety alerts, or product recalls, regardless of their ultimate outcome, could have a material adverse effect on our business and reputation, our ability to attract and retain customers and our results of operations or financial condition. Although we maintain third- party product liability insurance coverage, it is possible that claims against us may exceed the coverage limits of our insurance policies or cause us to record a self- insured loss. Even if any product liability loss is covered by an insurance policy, these policies typically have substantial retentions or deductibles that we are responsible

for. Product liability claims in excess of applicable insurance coverage could have a material adverse effect on our business, results of operations, and financial condition. In addition, any product liability claim brought against us, with or without merit, could result in an increase of our product liability insurance rates. Insurance coverage varies in cost and can be difficult to obtain, and we cannot guarantee that we will be able to obtain insurance coverage in the future on terms acceptable to us or at all. We are subject to environmental laws and regulations that can impose significant costs and expose us to potential financial liabilities. Our business and facility and those of our contract manufacturer are subject to foreign, federal, state, and local laws and regulations relating to the protection of human health and the environment, including those governing the use, manufacture, storage, handling, and disposal of, and exposure to, such materials and wastes. In addition, under some environmental laws and regulations, we could be held responsible for costs relating to any contamination at our past or present facilities and at third-party waste disposal sites even if such contamination was not caused by us. A failure to comply with current or future environmental laws and regulations could result in severe fines or penalties. Any such expenses or liability could have a significant negative impact on our business, results of operations, and financial condition. U. S. tax legislation may materially affect our financial condition, results of operations and cash flows. The Tax Cuts and Jobs Act (the " Tax Act ") has significantly changed the U. S. federal income taxation of U. S. businesses, including by reducing the U. S. corporate income tax rate, limiting interest deductions, permitting immediate expensing of certain capital expenditures, modifying or repealing many business deductions and credits. The Coronavirus Aid, Relief, and Economic Security Act (the " CARES Act ") modifies certain provisions of the Tax Act, including increasing the amount of interest expense that may be deducted. The Tax Act as modified by the CARES Act is unclear in many respects and could be subject to potential amendments and technical corrections, as well as interpretations and implementing regulations by the Treasury and IRS, any of which could lessen or increase certain adverse impacts of the legislation. In addition, it is unclear how these U. S. federal income tax changes will affect state and local taxation, which often uses federal taxable income as a starting point for computing state and local tax liabilities. Our analysis and interpretation of this legislation is preliminary and ongoing and there may be material adverse effects resulting from the legislation that we have not yet identified. While some of the changes made by the tax legislation may adversely affect us, other changes may be beneficial. We continue to work with our tax advisors ~~and auditors~~ to determine the full impact that the recent tax legislation as a whole will have on us. We urge our investors to consult with their legal and tax advisors with respect to such legislation and its potential effect on an investment in our common stock. Risks Related to Our Intellectual Property Our ability to protect our intellectual property and proprietary technology is uncertain. We rely primarily on patent, copyright, trademark and trade secret laws, as well as confidentiality and non- disclosure agreements and other methods, to protect our proprietary technologies and know- how. As of March ~~29~~ **26**, ~~2024~~ **2025**, we owned ~~eight~~ **12** issued patents (~~four~~ **eight** domestic and four foreign), ~~eighteen~~ **23** pending patent applications (~~sixteen~~ **21** domestic and two foreign), thirteen registered trademarks (seven domestic and six foreign) and twelve pending domestic trademark applications. We have applied for patent protection relating to certain existing and proposed products and processes. While we generally apply for patents in those countries where we intend to make, have made, use, or sell patented products, we may not accurately predict all the countries where patent protection will ultimately be desirable. If we fail to timely file a patent application in any such country, we may be precluded from doing so later. Furthermore, we cannot assure you that any of our patent applications will be approved. The rights granted to us under our patents, including prospective rights sought in our pending patent applications, may not be meaningful or provide us with any commercial advantage. In addition, those rights could be opposed, contested, or circumvented by our competitors or be declared invalid or unenforceable in judicial or administrative proceedings. The failure of our patents to adequately protect our technology might make it easier for our competitors to offer the same or similar products or technologies. Competitors may be able to design around our patents or develop products that provide outcomes which are comparable to ours without infringing on our intellectual property rights. Due to differences between foreign and U. S. patent laws, our patented intellectual property rights may not receive the same degree of protection in foreign countries as they would in the United States. Even if patents are granted outside the United States, effective enforcement in those countries may not be available. Since most of our issued patents are for the United States only, we lack a corresponding scope of patent protection in other countries. In countries where we do not have significant patent protection, we may not be able to stop a competitor from marketing products in such countries that are the same as or similar to our product. We plan to rely on our trademarks, trade names and brand names to distinguish our product from the products of our competitors and have registered or applied to register many of these trademarks. We cannot assure you that our trademark applications will be approved. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our product, which could result in loss of brand recognition, and could require us to devote resources to advertising and marketing new brands. Further, we cannot assure you that competitors will not infringe upon our trademarks, or that we will have adequate resources to enforce our trademarks. We also rely on trade secrets, know- how, and technology, which are not protected by patents, to maintain our competitive position. We try to protect this information by entering into confidentiality and intellectual property assignment agreements with parties that develop intellectual property for us and / or have access to it, such as our officers, employees, consultants, contract manufacturers and advisors. However, in the event of unauthorized use or disclosure or other breaches of such agreements, we may not be provided with meaningful protection for our trade secrets or other proprietary information. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our commercial partners, collaborators, employees, and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know- how and inventions. If any of our trade secrets, know- how or other technologies not protected by a patent were to be disclosed to or independently developed by a competitor, our business, financial condition, and results of operations could be materially adversely affected. In the future, we may enter into licensing agreements to maintain our competitive position. If we enter into in- bound intellectual property license agreements, we may not be able to fully protect the licensed intellectual property rights or maintain those

licenses. Future licensors could retain the right to prosecute and defend the intellectual property rights licensed to us, in which case we would depend on the ability of our licensors to obtain, maintain, and enforce intellectual property protection for the licensed intellectual property. These licensors may determine not to pursue litigation against other companies or may pursue such litigation less aggressively than we would. Further, entering into such license agreements could impose various diligence, commercialization, royalty, or other obligations on us. Future licensors may allege that we have breached our license agreement with them, and accordingly seek damages or to terminate our license, which could adversely affect our competitive business position and harm our business prospects. If a competitor infringes upon one of our patents, trademarks, or other intellectual property rights, enforcing those patents, trademarks, and other rights may be difficult and time consuming. Even if successful, litigation to defend our patents and trademarks against challenges or to enforce our intellectual property rights could be expensive and time consuming and could divert management' s attention from managing our business. Moreover, we may not have sufficient resources to defend our patents or trademarks against challenges or to enforce our intellectual property rights. In addition, if third parties infringe any intellectual property that is not material to the products that we make, have made, use, or sell, it may be impractical for us to enforce this intellectual property against those third parties. We may be subject to damages resulting from claims that we, our employees, or independent distributors along with their independent sales representatives have wrongfully used or disclosed alleged trade secrets of our competitors or are in breach of non- competition or non-solicitation agreements with our competitors. Many of our employees were previously employed at other medical device companies, including our competitors or potential competitors, in some cases until recently. Some independent distributors and their independent sales representatives sell, or in the past have sold, products of our competitors. We may be subject to claims that we, our employees or independent sales personnel have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of these former employers or competitors. In addition, we have been and may in the future be subject to claims that we caused an employee to breach the terms of his or her non- competition or non- solicitation agreement. Even if we are successful in defending against these claims, litigation could result in substantial costs, divert the attention of management from our core business and harm our reputation. If our defense to those claims fails, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. There can be no assurance that this type of litigation will not continue, and any future litigation or the threat thereof may adversely affect our ability to hire additional direct sales representatives. A loss of key personnel or their work product could hamper or prevent our ability to commercialize product candidates, which could have an adverse effect on our business, results of operations, and financial condition. The medical device industry is characterized by patent litigation, and we could become subject to litigation that could be costly, result in the diversion of management' s time and efforts, require us to pay damages, and / or prevent us from developing or marketing our existing or future products. Our commercial success will depend in part on not infringing the patents or violating the other proprietary rights of third parties. Significant litigation regarding patent rights exists in our industry. Our competitors in both the United States and abroad, many of which have substantially greater resources and have made substantial investments in competing technologies, may have applied for or obtained or may in the future apply for and obtain, patents that will prevent, limit, or otherwise interfere with our ability to make and sell our product. We have conducted a limited review of patents issued to third parties. The large number of patents, the rapid rate of new patent issuances, the complexities of the technology involved, and the uncertainty of litigation increase the risk of business assets and management' s attention being diverted to patent litigation. Any litigation or claim against us, even those without merit, may cause us to incur substantial costs, and could place a significant strain on our financial resources, divert the attention of management from our core business, and harm our reputation. Further, as the number of participants in the medical device industry grows, the possibility of intellectual property infringement claims against us increases. If we are found to infringe the intellectual property rights of third parties, we could be required to pay substantial damages, including treble, or triple, damages if an infringement is found to be willful, and / or royalties and could be prevented from selling our product unless we obtain a license or are able to redesign our product to avoid infringement. Any such license may not be available on reasonable terms, if at all, and there can be no assurance that we would be able to redesign our product in a way that would not infringe the intellectual property rights of others. If we fail to obtain any required licenses or make any necessary changes to our product or technologies, we may have to withdraw our existing product from the market or may be unable to commercialize one or more of our future products, all of which could have a material adverse effect on our business, results of operations, and financial condition. If passed into law, patent reform legislation currently pending in the U. S. Congress could significantly change the risks associated with bringing or defending a patent infringement lawsuit. For example, fee shifting legislation could require a non- prevailing party to pay the attorney fees of the prevailing party in some circumstances. Patent terms are limited, and we may not be able to effectively protect our product and business. Patents have a limited lifespan. In the U. S., the natural expiration of a patent is generally 20 years after it is filed. Although various extensions may be available, the life of a patent, and the protection it affords, is limited. In addition, upon issuance in the U. S., the patent term may be extended based on certain delays caused by the applicant (s) or the USPTO. Even if we obtain effective patent rights for all our current patent applications, we may not have sufficient patent terms or regulatory exclusivity to protect our product, and our business and results of operations would be adversely affected. Changes in U. S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our product. As is the case with other medical devices companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the medical devices industry involves both technological and legal complexity. Therefore, obtaining and enforcing patents is costly, time- consuming, and inherently uncertain. In addition, the U. S. has recently enacted and is currently implementing wide-ranging patent reform legislation. Recent U. S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on future actions by the U. S. Congress, the federal courts and the USPTO, the laws and

regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. We may not be able to protect our intellectual property rights throughout the world. Filing, prosecuting, and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the U. S. can be less extensive than those in the U. S. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the U. S. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and may also export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the U. S. These products may compete with our product and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protection, particularly those relating to biotechnology products, which could make it difficult for us to stop the infringement of our patents or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license. If we are unable to protect the confidentiality of our trade secrets, our business and competitive position could be harmed. In addition to patent protection, we also rely upon copyright and trade secret protection, as well as non- disclosure agreements and invention assignment agreements with our employees, consultants, contract manufacturers and third parties, to protect our confidential and proprietary information. In addition to contractual measures, we try to protect the confidential nature of our proprietary information using commonly accepted physical and technological security measures. Such measures may not, for example, in the case of misappropriation of a trade secret by an employee or third party with authorized access, provide adequate protection for our proprietary information. Our security measures may not prevent an employee or consultant from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our product that we consider proprietary. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive, and time- consuming, and the outcome is unpredictable. Even though we use commonly accepted security measures, trade secret violations are often a matter of state law, and the criteria for protection of trade secrets can vary among different jurisdictions. In addition, trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. If any of our confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, our business and competitive position could be harmed. Third parties may assert that our employees or consultants have wrongfully used or disclosed confidential information or misappropriated trade secrets. We employ individuals who previously worked with other companies, including our competitors or potential competitors. Although we try to ensure that our employees and consultants do not use the proprietary information or know- how of others in their work for us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third party. Litigation may be necessary to defend against these claims. If we fail in defending any such claims or settling those claims, in addition to paying monetary damages or a settlement payment, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees. Risks Related to the Ownership of our Common Stock ~~The market for our common stock is new and may not develop to provide investors with adequate liquidity. We conducted our initial public offering in April of 2022. Therefore, the market for our common stock is new, and we cannot assure you that an~~ **and Warrants An** active trading market for our **shares** ~~common stock will develop, or if it does develop, it~~ may not be ~~maintained~~ **sustained** . ~~You~~ **Although our shares are listed on The Nasdaq Stock Market LLC, the market for our shares has demonstrated varying levels of trading activity. The current level of trading may not be sustained in the future. The lack of an active market for our shares may impair investors' ability to sell their shares at the time they wish to sell them or at a price that they consider reasonable, may reduce the fair market value of their shares and may impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire additional intellectual property assets by using our shares as consideration. Future sales of substantial amounts of our common stock could adversely affect the market price of our common stock. We may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. If additional capital is raised through the sale of equity or convertible debt securities, or perceptions that those sales could occur, the issuance of these securities could result in further dilution to investors purchasing our common stock in this offering or result in downward pressure on the price of our common stock, and our ability to raise capital in the future. We currently have an equity financing facility with Lincoln Park Capital Fund, LLC (" Lincoln Park "), pursuant to which we may sell up to $ 10 million in shares of common stock to Lincoln Park, all of which are covered by an effective registration statement that we have filed with the SEC. As of March 26, 2025, we have issued and sold 48, 848 shares to Lincoln Park and may further sell approximately $ 9. 7 million in additional shares to Lincoln Park. We have effected one for eight and a one for ten reverse stock splits in the last two years and we** may not be able to **cure a Nasdaq listing deficiency if our stock price falls**

below $ 0. 32 per share. Under Nasdaq rules, a reverse stock split taken together with all other reverse stock splits that are effected in a two year period that is in excess of one for two hundred fifty (1: 250) will not be accepted by Nasdaq as a method to regain compliance with the Bid Price Rule. Since November 2, 2023, we have affected two reverse stock splits which collectively are considered to have a ratio of one for eighty (1: 80). Therefore, until November 3, 2025, Nasdaq will not accept additional reverse stock splits effected by us with a ratio greater than 1: 3. 125 as a method to regain compliance with the Bid Price Rule. Accordingly, until November 3, 2025, a reverse stock split acceptable to Nasdaq would likely not cure noncompliance with the Bid Price Rule if our stock was trading at or about $ 0. 32 per share. If such an event were to occur, there is no certainty that any corporate action we could take or any event would occur that would result in an increase in our stock price necessary for us to regain compliance prior or allow for a reverse stock split with a ratio of 1: 3. 125 or less to result in compliance prior to a delisting of our common stock. A delisting of our common stock and our inability to list on another national securities market could negatively impact us by: (i) reducing the liquidity and market price of our common stock; (ii) reducing the number of investors willing to hold or acquire our common stock, which could negatively impact our ability to raise equity financing; (iii) limiting our ability to use certain registration statements to offer and sell freely tradable securities, thereby limiting our ability to access the public capital markets; and (iv) impairing our ability to provide equity incentives to our employees. The trading price of our common stock has been and is likely to continue to be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. Our share price is highly volatile. During the period from January 1, 2023, to March 26, 2025 the closing price of our common stock ranged from a high of $ 208. 80 per share to a low of $ 0. 98 per share. The stock market in general has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, you may not be able to sell your common stock ~~quickly or~~ at **or above the public offering price and you may lose some or all of your investment. Our Series A Preferred Stock and Series B Preferred Stock rank senior to our common stock. Our Series A Preferred Stock and Series B Preferred Stock rank, with respect to rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of our company, and redemption rights, senior to our common stock and each other class or series of securities now existing or hereafter authorized classified or reclassified, the terms of which do not expressly provide that such class or series ranks on a parity basis with or senior to the Series A Preferred Stock and Series B Preferred Stock as to rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of our company, and redemption rights. Conversion of Series A Preferred Stock, the Series B Preferred Stock or the exercise of the Tradeable Warrants, Note Warrants, the Series A Warrants, the Series B Warrants, the New Warrants may cause significant dilution to our stockholders. As of March 26, 2025, we have issued 256, 968 shares of Series A Preferred Stock, which are convertible into 788, 587 shares of common stock; 86, 454 shares of Series B Preferred Stock, which are convertible into 108, 074 shares of common stock; Tradeable Warrants with 250, 000 underlying shares of common stock; Note Warrants with 5, 625 underlying shares of common stock; Series A Warrants with 48, 187 underlying shares of common stock, Series B Warrants with 16, 214 underlying shares of common stock and New Warrants with 3, 668, 550 underlying shares of common stock. The issuance of shares of common stock upon the conversion of such shares of preferred stock or exercise of any of such warrants would dilute the percentage ownership interest of holders of our common stock, dilute the book value per share of our common stock, and increase the number of our publicly traded shares, which could further depress** the market price **of** ~~if trading in~~ our **common stock. In addition, the Series A Warrants, Series B Warrants and the Note Warrants contain weighted average anti- dilution provisions which, subject to limited exceptions, would increase the number of shares issuable upon exercise of such** securities ~~is not active~~ **(by reducing the exercise price) in the event that we in the future issue common stock, or securities convertible into or exercisable to purchase common stock, at a price per share lower than the exercise price then in effect** . If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline. The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If too few securities or industry analysts provide coverage or if one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about our business, the price of our stock would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our stock could decrease, which might cause the price of our stock and trading volume to decline. The price of our common stock may be volatile, and you may be unable to resell your shares at or above the price paid. The trading price of our common stock may fluctuate substantially. The market price of our common stock may fluctuate higher or lower, depending on many factors, some of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our common stock. Factors that could cause fluctuations in the trading price of our common stock include the following: ● actual or anticipated fluctuations in our financial condition and operating results; ● actual or anticipated changes in our growth rate relative to our competitors; ● commercial success and market acceptance of our product; ● success of our competitors in developing or commercializing products; ● ability to commercialize or obtain regulatory approvals for our product, or delays in commercializing or obtaining regulatory approvals; ● strategic transactions undertaken by us; ● additions or departures of key personnel; ● product liability claims; ● prevailing economic conditions; ● disputes concerning our intellectual property or other proprietary rights; ● FDA or other U. S. or foreign regulatory actions affecting us or the healthcare industry; ● healthcare reform measures in the United States; ● sales of our common stock by our officers, directors or significant stockholders; ● future sales or issuances of equity or debt securities by us; ● business disruptions caused by earthquakes, fires or other natural disasters; ● the exercise and sale of any outstanding warrants or options; ● issuance of new or changed securities analysts' reports or recommendations regarding us; ● changes in our capital structure, such as future issuances of debt or equity securities; ● short sales, hedging and other

derivative transactions involving our capital stock; and ● general economic and geopolitical conditions, including the current or anticipated impact of military conflict and related sanctions imposed on Russia by the United States and other countries due to Russia' s recent invasion of Ukraine. In addition, if the market for medical device or healthcare stocks or the stock market, in general, experience a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, results of operations, or financial condition. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the market price of a company' s securities, securities class action litigation has often been brought against that company. If our stock price is volatile, we may become the target of securities litigation. Securities litigation could result in substantial costs and divert our management' s attention and resources from our business. This could have a material adverse effect on our business, results of operations, and financial condition. ~~The price and volume of our common stock may rapidly fluctuate or may decline regardless of our operating performance, resulting in substantial losses for investors. The trading price of our common stock may be subject to instances of extreme stock price run- ups followed by rapid price declines and stock price volatility unrelated to both our actual and expected operating performance and financial condition or prospects, making it difficult for prospective investors to assess the rapidly changing value of our stock. Further, the trading price of our common stock could be highly volatile and subject to wide fluctuations in response to various factors, some of which are beyond our control, including limited trading volume, actual or anticipated fluctuations in our results of operations; the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections; failure of securities analysts to initiate or maintain coverage of our Company, changes in financial estimates or ratings by any securities analysts who follow our Company or our failure to meet these estimates or the expectations of investors; announcements by us or our competitors of significant innovations, acquisitions, strategic partnerships, joint ventures, operating results or capital commitments; changes in operating performance and stock market valuations of other companies in our industry; price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole; changes in our Board or management; sales of large blocks of our Common Stock, including sales by our executive officers, directors and significant stockholders; lawsuits threatened or filed against us; changes in laws or regulations applicable to our business; the expiration of lock- up agreements; changes in our capital structure, such as future issuances of debt or equity securities; short sales, hedging and other derivative transactions involving our capital stock; general economic and geopolitical conditions, including the current or anticipated impact of military conflict and related sanctions imposed on Russia by the United States and other countries due to Russia' s recent invasion of Ukraine; and the other factors described in this section of the report captioned " Risk Factors. " Sales of substantial amounts of our common stock in the public markets, or the perception that sales might occur, could reduce the price of our common stock and may dilute our current stockholders voting power and their ownership interest in us. Sales of a substantial number of shares of our common stock in the public or the perception that these sales could occur, could adversely affect the market price of our common stock, and may make it more difficult for holders of our common stock to sell their common stock at a time and price that you deem appropriate and affect our ability to raise capital through the sale of equity securities. We may issue our shares of common stock or securities convertible into our common stock from time to time in connection with a financing, acquisition, investments or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline. We may be subject to securities litigation, which is expensive and could divert our management' s attention. The market price of our securities may be volatile, and in the past companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management' s attention from other business concerns. We may not be able to satisfy listing requirements of Nasdaq to maintain a listing of our common stock. We must meet certain financial and liquidity criteria to maintain the listing of our common stock on the Nasdaq Stock Market LLC (" Nasdaq "). If we violate the maintenance requirements for continued listing of our common stock, our common stock may be delisted. In addition, our board of directors may determine that the cost of maintaining our listing on a national securities exchange outweighs the benefits of such listing. A delisting of our common stock from Nasdaq may materially impair our stockholders' ability to buy and sell our common stock and could have an adverse effect on the market price of, and the efficiency of the trading market for, our common stock. In addition, the delisting of our common stock could significantly impair our ability to raise capital. On January 4, 2024, we received a written notice (the " Notice ") from Nasdaq dated January 4, 2024, indicating that, as a result of Frank Fischer' s resignation from the Board, audit committee of the Board (the " Audit Committee ") and compensation committee of the Board (the " Compensation Committee "), effective November 30, 2023, that the Company was not currently in compliance with Nasdaq Listing Rule 5605, which requires that (i) a majority of the Board be comprised of independent directors, (ii) the Audit Committee is comprised of at least three independent directors and (iii) the Compensation Committee is comprised of at least two independent directors. Kristine Jaeques was appointed to the Board on March 25, 2024 and as a result, as of March 25, 2024, the Company partly complied with Nasdaq Listing Rule 5605, specifically the requirement that a majority of the Board be comprised of independent directors. The Audit Committee, however, currently is comprised of only two independent directors and the Compensation Committee is only comprised of one independent director. In accordance with Nasdaq Listing Rule 5605 (b) (1) (A), the Company has a " cure period " of until the earlier of the Company' s next annual shareholders' meeting or November 30, 2024, or if the next annual shareholders' meeting is held before May 28, 2024, then the Company must evidence compliance no later than May 28, 2024. The Company intends to elect one or more independent directors to serve as a member of the Audit Committee and the Compensation Committee during this cure period. The Notice has no immediate effect on v listing or trading of the Company' s common stock on The Nasdaq Capital Market.~~ Our failure to maintain effective internal controls over financial reporting could have an adverse impact on us. We are required to establish and maintain appropriate internal controls over financial reporting. Failure to establish those controls, or any failure of those controls once established, could adversely impact our public

disclosures regarding our business, financial condition, or results of operations. In addition, management' s assessment of internal controls over financial reporting may identify weaknesses and conditions that need to be addressed in our internal controls over financial reporting or other matters that may raise concerns for investors. Any actual or perceived weaknesses and conditions that need to be addressed in our internal control over financial reporting, disclosure of management' s assessment of our internal controls over financial reporting or disclosure of our public accounting firm' s attestation to ~~or~~ **our** report on management' s assessment of our internal controls over financial reporting may have an adverse impact on the price of our common stock. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. In addition, the design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be relative to their costs. Because of the inherent limitations in all control systems, no system of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected. These inherent limitations include the realities that judgments in decision- making can be faulty and that breakdowns can occur because of simple error or mistake. Further, controls can be circumvented by individual acts of some persons, by collusion of two or more persons, or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may become inadequate because of changes in conditions or the degree of compliance with policies or procedures may deteriorate. Because of inherent limitations in a cost- effective control system, misstatements due to error or fraud may occur and may not be detected. At present, management has identified a material weakness due to lack of segregation of duties. The lack of segregation of duties existed as a result of **our** ~~the Company~~ having no employees until June 2021. Management has taken ~~initial~~ steps to remedy this ~~weakness~~ **deficiency** by **its** hiring **of** a Chief Financial Officer, a director of SEC reporting and compliance, ~~and~~ a senior accountant, ~~and engaging~~ a cost ~~accounting~~ **accountant** ~~consultant~~ and external financial consultants, and plans to continue to add additional resources, technology and headcount as warranted by ~~the~~ **our** growth ~~of~~**. We are in** the ~~Company~~ **process of putting proper policies and procedures in place to ensure that proper documentation is established and maintained for transactions that we enter into. On May 20, 2024, it was announced that our Chief Financial Officer was retiring effective July 31, 2024 while continuing to assist us as Chief Financial Officer Advisor. On August 27, 2024, we announced the hiring of our new Chief Financial Officer, effective September 3, 2024** . While we believe these efforts will improve our internal controls and address the underlying causes of the material weakness, such material weakness will not be remediated until our remediation plan has been fully implemented and we have concluded that our controls are operating effectively for a sufficient period of time. We cannot be certain that the steps we are taking will be sufficient to remediate the control deficiencies that led to our material weakness in our internal control over financial reporting or prevent future material weaknesses or control deficiencies from occurring. While we are working to remediate the material weakness as timely and efficiently as possible, at this time we cannot provide an estimate of costs expected to be incurred in connection with the implementation of this remediation plan, nor can we provide an estimate of the time it will take to complete this remediation plan. Even if management does establish effective remedial measures, we cannot guarantee that those internal controls and disclosure controls that we put in place will prevent all possible errors, mistakes, or all fraud. Our financial controls and procedures may not be sufficient to ensure timely and reliable reporting of financial information, which, as a public company, could materially harm our stock price. We will require significant financial resources to maintain our public reporting status. We cannot assure you we will be able to maintain adequate resources to ensure that we will not have any future material weakness in our system of internal controls. The effectiveness of our controls and procedures may in the future be limited by a variety of factors including: ● faulty human judgment and simple errors, omissions or mistakes; ● fraudulent action of an individual or collusion of two or more people; ● inappropriate management override of procedures; and ● the possibility that any enhancements to controls and procedures may still not be adequate to assure timely and accurate financial information. Our internal control over financial reporting will be a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company' s assets that could have a material effect on the financial statements. Despite these anticipated controls, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives. Furthermore, smaller reporting companies like us face additional limitations. Smaller reporting companies employ fewer individuals and can find it difficult to employ resources for complicated transactions and effective risk management. Additionally, smaller reporting companies tend to utilize general accounting software packages that lack a rigorous set of software controls. If we fail to have effective controls and procedures for financial reporting in place, we could be unable to provide timely and accurate financial information and be subject to investigation by the SEC and civil or criminal sanctions. We must implement additional and expensive procedures and controls in order to grow our business and organization and to satisfy reporting requirements, which will increase our costs and require additional management resources. As a public company, we are required to comply with the Sarbanes- Oxley Act of 2002 (the " Sarbanes- Oxley Act ") and the related rules and regulations of the SEC, including the requirements that we maintain disclosure controls and procedures and adequate internal control over financial reporting. Compliance with the Sarbanes- Oxley Act and other SEC and national exchange requirements will increase

our costs and require additional management resources. We have begun the process of upgrading our procedures and controls and will need to begin implementing additional procedures and controls as we grow our business and organization and to satisfy new reporting requirements. If we are unable to complete the required assessment as to the adequacy of our internal control over financial reporting, as required by Section 404 of the Sarbanes- Oxley Act or if we fail to establish and maintain internal control over financial reporting, our ability to produce timely, accurate and reliable periodic financial statements could be impaired. If we do not establish and maintain adequate internal control over financial reporting, investors could lose confidence in the accuracy of our periodic reports filed under the Exchange Act. Additionally, our ability to obtain additional financing could be impaired or a lack of investor confidence in the reliability and accuracy of our public reporting could cause our stock price to decline. We **may be subject to securities litigation, which is expensive and could divert our management' s attention. The market price of our securities may be volatile, and in the past companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management' s attention from other business concerns. We** are an " emerging growth company " under the JOBS Act of 2012 and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our common stock less attractive to investors. We are an " emerging growth company, " as defined in the Jumpstart Our Business Startups Act of 2012 (the " JOBS Act "), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not " emerging growth companies " including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile. In addition, Section 107 of the JOBS Act also provides that an " emerging growth company " can take advantage of the extended transition period provided in Section 7 (a) (2) (B) of the Securities Act of 1933 (the " Securities Act ") for complying with new or revised accounting standards. In other words, an " emerging growth company " can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We are choosing to take advantage of the extended transition period for complying with new or revised accounting standards. We will remain an " emerging growth company " until the last day of the fiscal year following the fifth anniversary of the date of the first sale of our common stock pursuant to an effective registration statement under the Securities Act, although we will lose that status sooner if our revenues exceed $ 1. 235 billion, if we issue more than $ 1 billion in non-convertible debt in a three year period, or we are deemed to be a large accelerated filer under applicable SEC rules. Our status as an " emerging growth company " under the JOBS Act may make it more difficult to raise capital as and when we need it. Because of the exemptions from various reporting requirements provided to us as an " emerging growth company " and because we will have an extended transition period for complying with new or revised financial accounting standards, we may be less attractive to investors, and it may be difficult for us to raise additional capital as and when we need it. Investors may be unable to compare our business with other companies in our industry if they believe that our financial accounting is not as transparent as other companies in our industry. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected. We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of our stock. We have never paid cash dividends on our common stock and do not anticipate paying cash dividends on our common stock in the foreseeable future. We currently intend to retain any future earnings to support the development of our business and do not anticipate paying cash dividends in the foreseeable future. Our payment of any future dividends will be at the discretion of our board of directors after taking into account various factors, including, but not limited to, our financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that we may be a party to at the time. In addition, our ability to pay dividends on our common stock may be limited by Delaware state law. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize a return on their investment. Investors seeking cash dividends should not purchase our common stock. The elimination of personal liability against our directors and officers under Delaware law and the existence of indemnification rights held by our directors, officers and employees may result in substantial expenses. Our amended and restated certificate of incorporation, as amended (" Certificate of Incorporation "), and our bylaws (" Bylaws ") eliminate the personal liability of our directors and officers to us and our stockholders for damages for breach of fiduciary duty as a director or officer to the extent permissible under Delaware law. Further, our Certificate of Incorporation allows for us to and our Bylaws provide that we are obligated to indemnify each of our directors or officers to the fullest extent authorized by Delaware law and, subject to certain conditions, advance the expenses incurred by any director or officer in defending any action, suit or proceeding prior to its final disposition. Those indemnification obligations could expose us to substantial expenditures to cover the cost of settlement or damage awards against our directors or officers, which we may be unable to afford. Further, those provisions and resulting costs may discourage us or our stockholders from bringing a lawsuit against any of our current or former directors or officers for breaches of their fiduciary duties, even if such actions might otherwise benefit our stockholders. Our Certificate of Incorporation designates the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. Our Certificate of Incorporation specifies that, except for claims arising under federal securities laws, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (a) any derivative action or proceeding brought on behalf of the Company, (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, employee or agent of the

Company to the Company or the Company' s stockholders, (c) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our Certificate of Incorporation or Bylaws, or (d) any action asserting a claim governed by the internal affairs doctrine, in each case subject to said Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our Certificate of Incorporation as described above. This choice of forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, other employees or stockholders, which may discourage lawsuits with respect to such claims. As such, stockholders of the Company seeking to bring a claim regarding the internal affairs of the Company may be subject to increased costs associated with litigating in Delaware as opposed to their home state or other forum, precluded from bringing such a claim in a forum they otherwise consider to be more favorable, and discouraged from bringing such claims as a result of the foregoing or other factors related to forum selection. Alternatively, if a court were to find the choice of forum provision contained in our Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition. We believe these provisions benefit us by providing increased consistency in the application of Delaware law by chancellors particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi- forum litigation. However, the provision may have the effect of discouraging lawsuits against our directors, officers, employees, and agents as it may limit any stockholder' s ability to bring a claim in a judicial forum that such stockholder finds favorable for disputes with us or our directors, officers, employees or agents. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any applicable action brought against us, a court could find the choice of forum provisions contained in our Certificate of Incorporation to be inapplicable or unenforceable in such action. If a court were to find the choice of forum provision contained in our Certificate of Incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition or results of operations. **Item 1B. Unresolved Staff CommentsNone. Item 1C. Cybersecurity Cybersecurity Risk Management and Strategy. We maintain a cyber- risk management program which is intended to assist in assessing, identifying, and managing material risks from cybersecurity threats to our data and information systems. This program is to ensure that cybersecurity considerations are included in decision- making processes throughout the Company. Our approach consists of, among other things, cybersecurity threat and vulnerability prevention, detection, mitigation and remediation of potential cybersecurity risks. We employ cybersecurity intrusion detection systems and continuous monitoring, in order to help defend against unauthorized access. We also employ identity- based access controls and identity authentication requirements. Access to the Company' s data is monitored and controlled according to access control policies. Data protection and privacy practices, including data loss prevention, help to safeguard sensitive information. We have also outsourced significant elements of our information technology infrastructure; as a result, we manage independent vendor relationships with third parties who are responsible for maintaining significant elements of our information technology systems and infrastructure. Our Board of Directors is responsible for oversight of our cyber- risk management program and management' s role is to assist the Board of Directors in identifying and considering material cybersecurity risks, ensure implementation of management and employee level cybersecurity practices and training and provide the Board of Directors with regular reports regarding any cybersecurity attacks or vulnerabilities. As of the date of this Annual Report on Form 10- K, we have not experienced any significant cybersecurity attacks and, to date, the risks from cybersecurity threats have not materially affected, or are reasonably likely to materially affect, our business strategy, results of operations, or financial condition. For more information regarding the risks the Company faces from cybersecurity threats, see " Item 1A. Risk Factors – – Risks Related to Our Business and Operations – – We are increasingly dependent on information technology, and our systems and infrastructure face certain risks, including cybersecurity and data leakage risks. " Item 2. Properties We lease and maintain our primary offices at 104 Cooper Court, Los Gatos, CA 95032. We do not currently own any real estate. Item 3. Legal Proceedings Item 4. Mine Safety Disclosures Not applicable. PART II Item 5. Market for Registrant' s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities. Market Information Our common stock is trading on the Nasdaq Capital Market under the symbol " TNON. " Holders As of March 26, 2025, we have issued and outstanding 5, 584, 965 shares of common stock issued and outstanding held by 61 stockholders of record. Because many of our shares of common stock are held by brokers and other institutions on behalf of stockholders, this number is not representative of the total number of beneficial owners of our stock. We also have outstanding as of March 26, 2025: ● 2, 445, 700 shares of our common stock issuable pursuant to the exercise of our Series C- 1 Warrants at $ 1. 25 per share; ● 1, 222, 850 shares of our common stock issuable pursuant to the exercise of our Series C- 2 Warrants at $ 1. 25 per share; ● 788, 587 shares of our common stock issuable pursuant to conversion of our Series A Preferred Stock; ● 108, 074 shares of our common stock issuable pursuant to conversion of our Series B Preferred Stock; ● 48, 187 shares of our common stock issuable upon the exercise of warrants issued to investors of our Series A Preferred Stock at $ 4. 28 per share; ● 16, 214 shares of our common stock issuable upon the exercise of warrants issued to investors of our Series B Preferred Stock at $ 4. 28 per share; ● 5, 625 shares of our common stock issuable upon the exercise of warrants issued to investors in our November 2023 private placement at $ 15. 52 per share; ● 207, 484 shares of our common stock issuable upon the exercise of warrants issued to investors in our June 2023 public offering at $ 25. 168 per share; ● 1, 200 shares of our common stock issuable upon the exercise of warrants issued to the underwriters in our initial public offering that closed on April 29, 2022 at $ 400. 00 per share; and ● 31, 546 shares of our common stock issuable pursuant to options and**

restricted stock units granted pursuant to our equity incentive plan. Dividends We have never declared or paid any cash dividend on our common stock. We intend to retain any future earnings to be used to provide working capital, to support our operations, and to finance the growth and development of our business, including potentially the acquisition of, or investment in, businesses, technologies or products that complement our existing business. We do not expect to pay cash dividends in the foreseeable future. Recent Sales of Unregistered Securities Set forth below is information as to all of our equity securities sold by us during our fiscal year ended December 31, 2024, which was not registered under the Securities Act of 1933, as amended. (a) Issuance of Capital Stock. (b) Option Grants. (c) Warrants. (d) Issuance of Notes. Securities Authorized for Issuance under Equity Compensation Plans In January and February 2022, our Board and our shareholders approved our 2022 Equity Incentive Plan (the " 2022 Plan, " together with the 2012 Plan, the " Plans "). The 2022 Plan governs equity awards to our employees, directors, officers, consultants and other eligible participants. Initially, the maximum number of shares of our common stock that may be subject to awards under the 2022 Plan is equal to (i) 20, 000 plus (ii) the lesser of (a) 75, 000 shares of our common stock and (b) the number of shares of our common stock subject to awards granted under the 2012 Plan that after the 2012 Plan is terminated are canceled, expired or otherwise terminated without having been exercised in full, are tendered to or withheld by the Company for payment of an exercise price or for tax withholding obligations, or are forfeited to or repurchased by the Company due to failure to vest. The maximum number of shares that are subject to awards under the 2022 Plan is subject to an annual increase equal to the lesser of (i) 13, 750 shares of our common stock, (ii) a number of shares of our common stock equal to 4 % of the prior year' s maximum number and (iii) such number of shares of our common stock as determined by the 2022 Plan administrator. On July 23, 2024, at our annual meeting, our stockholders voted to amend the 2022 Plan to increase the number of shares reserved for issuance under the 2022 Plan by 137, 500 shares. The types of awards permitted under the Plans include nonqualified stock options, incentive stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares, performance units and other awards. Each option shall be exercisable at such times and subject to such terms and conditions as the Board may specify. The Board has the power to amend, suspend or terminate the Plans without stockholder approval or ratification at any time or from time to time. No change may be made that increases the total number of shares of our common stock reserved for issuance pursuant to incentive awards or reduces the minimum exercise price for options or exchange of options for other incentive awards, unless such change is authorized by our stockholders within one year. Equity Compensation Plan Information The table below sets forth information as of December 31, 2024. Plan Category Number of securities to be issued upon exercise of outstanding options, warrants and rights Weighted- average exercise price of outstanding options, warrants and rights Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (a) (b) (c) Equity compensation plans approved by security holders 31, 546 $ 20. 79 135, 971 Equity compensation plans not approved by security holders — $ — — Total 31, 546 $ 20. 79 135, 971 Use of Proceeds from our Initial Public Offering of Common Stock Transfer Agent The transfer agent for the common stock is Vstock Transfer LLC, 18 Lafayette Place, Woodmere, New York, telephone (212) 828- 8436. Purchases of Equity Securities by the Issuer and Affiliated Purchasers Item 6. [Reserved] Item 7. MANAGEMENT' S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the notes to those statements included elsewhere in this Annual Report on Form 10- K. In addition to historical financial information, this discussion and analysis contains forward- looking statements that reflect our plans, estimates and beliefs. You should not place undue reliance on these forward- looking statements, which involve risks and uncertainties. As a result of many factors, including but not limited to those set forth under " Risk Factors, " our actual results may differ materially from those anticipated in these forward- looking statements. See " Cautionary Note Regarding Forward- Looking Statements. " Overview Tenon Medical, Inc., a medical device company formed in 2012, has developed a proprietary, U. S. Food and Drug Administration (" FDA ") approved surgical implant- system, which we call The Catamaran ™ SI Joint Fusion System (" The Catamaran System "). The Catamaran System offers a novel, less invasive inferior- posterior approach to the sacroiliac joint (" SI Joint ") using a single, robust titanium implant to treat SI Joint dysfunction that often causes severe lower back pain. The system features the Catamaran ™ Fixation Device which passes through both the axial and sagittal planes of the ilium and sacrum, transfixing the SI Joint along its longitudinal axis. Published clinical studies have shown that 15 % to 30 % of all chronic lower back pain is associated with the SI Joint. With an entry similar to the SI Joint injection, the surgical approach is direct to the joint. The angle and trajectory of the inferior- posterior approach is designed to point away from critical neural and vascular structures and into the strongest cortical bone. Joined by a patented osteotome bridge, the implant design consists of two hollow fenestrated pontoons with an open framework to facilitate bony in- growth through the SI Joint. One pontoon fixates into the ilium and the other into the sacrum. The osteotome is designed to disrupt the articular portion of the joint to help facilitate a fusion response. Our initial clinical results indicate that the Catamaran System implant is promoting fusion across the joint as evidenced by computerized tomography (CT) scans which is the gold standard widely accepted by the clinical community. We had our national launch of The Catamaran System in October 2022 and are building a sales and marketing infrastructure to market our product and address the greatly underserved market opportunity that exists. We believe that the implant design and procedure we have developed, along with the 2D and 3D protocols for proper implantation will be received well by the clinician community who have been looking for a next generation device. We have incurred net losses since our inception in 2012. As of December 31, 2024, we had an accumulated deficit of approximately $ 68. 7 million. To date, we have financed our operations primarily through public equity offerings, private placements of equity securities, certain debt- related financing arrangements, and sales of our product. We have devoted substantially all of our

resources to research and development, regulatory matters and sales and marketing of our product. Reverse Stock Splits On November 2, 2023, we effected a 1- for- 10 reverse stock split (the " 2023 Reverse Stock Split ") by filing an amendment to our Amended and Restated Certificate of Incorporation, as amended, with the Delaware Secretary of State. The 2023 Reverse Stock Split combined every ten shares of our common stock issued and outstanding immediately prior to effecting the 2023 Reverse Stock Split into one share of common stock. No fractional shares were issued in connection with the 2023 Reverse Stock Split. On September 6, 2024, we effected a 1- for- 8 reverse stock split (the " 2024 Reverse Stock Split ") by filing an amendment to the our Amended and Restated Certificate of Incorporation, as amended, with the Delaware Secretary of State. The 2024 Reverse Stock Split combined every eight shares of our common stock issued and outstanding immediately prior to effecting the 2024 Reverse Stock Split into one share of common stock. No fractional shares were issued in connection with the 2024 Reverse Stock Split. All historical share and per share amounts reflected throughout this document have been adjusted to reflect the 2023 Reverse Stock Split and the 2024 Reverse Stock Split. The authorized number of shares and the par value per share of our common stock were not affected by the 2023 Reverse Stock Split or the 2024 Reverse Stock Split. Critical Accounting Policies and Significant Judgments and Estimates Our management' s discussion and analysis of our financial condition and results of operations is based on our audited consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles (" U. S. GAAP "). The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported results of operations during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates under different assumptions or conditions. While our significant accounting policies are described in more detail in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10- K, we believe that the accounting policies discussed below are those that are most critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management' s judgments and estimates. For more detail on our critical accounting policies, see Note 2 to our consolidated financial statements. Revenue Recognition Our revenue is derived from the sale of our products to medical groups and hospitals in the United States. Revenue is recognized when control is transferred to the customer, in an amount that reflects the consideration we expect to be entitled to in exchange for the goods or services, using the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied. We generate our revenue from the sale of products to hospitals or medical facilities where our products are delivered in advance of a procedure. The performance obligation is the delivery of the products along with the completion of the surgery and therefore, revenue is recognized upon delivery to the customers and completion of the surgery, net of rebates and price discounts. We account for rebates and price discounts as a reduction to revenue. Sales prices are specified prior to the transfer of control to the customer, via either the customer contract, agreed price list, purchase order, or written communication with the customer. For direct sales to end- user customers, our standard payment terms are generally net 30 days. We offer our standard warranty to all customers. We do not sell any warranties on a standalone basis. Our warranty provides that our products are free of material defects and conform to specifications, and includes an offer to replace or refund the purchase price of defective products. This assurance does not constitute a service and is not considered a separate performance obligation. We estimate warranty liabilities at the time of revenue recognition and record them as a charge to cost of goods sold. Stock- Based Compensation We account for all stock- based compensation awards using a fair- value method on the grant date and recognize the fair value of each award as an expense over the requisite service period. We recognize compensation costs related to stock- based awards granted to employees, directors, and consultants, including restricted stock units and stock options, based on the estimated fair value of the awards on the date of grant. For restricted stock units, we estimate grant date fair value based on the closing market price on the date of grant. For stock options, we estimate the grant date fair value using the Black- Scholes option- pricing model. The grant date fair value of the stock- based awards is generally recognized on a straight- line basis over the requisite service period, which is generally the vesting period of the respective awards. The Black- Scholes option- pricing model requires the use of subjective assumptions to determine the fair value of stock- based awards. These assumptions include: Expected Term — The expected term represents the period that stock- based awards are expected to be outstanding. The expected term for option grants is determined using the simplified method. The simplified method deems the expected term to be the midpoint between the vesting date and the contractual life of the stock- based awards. Expected Volatility — Since we have only been publicly held since April 2022 and do not have any trading history for our common stock, the expected volatility was estimated based on the average volatility for comparable publicly traded companies over a period equal to the expected term of the stock option grants. The comparable companies were chosen based on their similar size, stage in the life cycle, or area of specialty. Risk- Free Interest Rate — The risk- free interest rate is based on the U. S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of option. Expected Dividend — We have never paid dividends on our common stock and have no plans to pay dividends on our common stock. Therefore, we used an expected dividend yield of zero. We account for forfeitures as they occur. Our board of directors intends all options granted to be exercisable at a price per share not less than the per share fair value of our common stock underlying those options on the date of grant. Common Stock Warrants We account for warrants

for shares of common stock as equity or liabilities in accordance with the accounting guidance for derivatives. The accounting guidance provides a scope exception from classifying and measuring as a financial liability a contract that would otherwise meet the definition of a derivative if the contract is both (i) indexed to the entity' s own stock and (ii) classified in the stockholders' deficit section of the consolidated balance sheet. We estimate the fair value of our warrants for shares of common stock by using the Black- Scholes option pricing model. Warrants classified as equity are recorded as additional paid- in capital on the consolidated balance sheet and no further adjustments to their valuation are made after the issuance of the warrants. Financial Operations Overview We derive substantially all our revenue from sales of The Catamaran System to a limited number of clinicians. Revenue from sales of The Catamaran System fluctuates based on volume of cases (procedures performed), discounts, rebates, and the number of implants used for a particular patient. Similar to other orthopedic companies, our revenue can also fluctuate from quarter to quarter due to a variety of factors, including reimbursement, changes in independent sales representatives and physician activities. Cost of Goods Sold, Gross Profit, and Gross Margin We utilize contract manufacturers for production of The Catamaran System implants and Catamaran Tray Sets. Cost of goods sold consists primarily of costs of the components of The Catamaran System implants and instruments, overhead related to operation personnel and facility costs, quality inspection, packaging, scrap and inventory obsolescence, as well as distribution- related expenses such as logistics and shipping costs. We anticipate that certain of our cost of goods sold will increase in absolute dollars as case levels increase. Our gross margins have been and will continue to be affected by a variety of factors, including the cost to have our product manufactured for us, pricing pressure from increasing competition, and the factors described above impacting our revenue. Operating Expenses Our operating expenses consist of sales and marketing, research and development, and general and administrative expenses. Personnel costs are the most significant component of operating expenses and consist of consulting expenses, salaries, sales commissions and other cash and stock- based compensation related expenses. We expect operating expenses to increase in absolute dollars as we continue to invest and grow our business. Sales and Marketing Expenses Sales and marketing expenses primarily consist of salaries, commissions, stock- based compensation expense and travel and entertainment expenses of our sales and market personnel along with commissions paid to our independent distributors. We expect our sales and marketing expenses to increase in absolute dollars with the increased sales of The Catamaran System resulting in higher commissions and salaries, increased clinician and sales representative training, and the cost to complete our clinical study to gain wider clinician adoption of The Catamaran System. Our sales and marketing expenses may fluctuate from period to period due to the timing of sales and marketing activities related to the commercial activity of our product. Research and Development Expenses Our research and development expenses primarily consist of engineering, product development, regulatory expenses, and consulting services, outside prototyping services, outside research activities, materials, and other costs associated with the development and refinement of our product. Research and development expenses also include related personnel and consultants' compensation and stock- based compensation expense. We expense research and development costs as they are incurred. We expect research and development expense to increase in absolute dollars as we improve The Catamaran System, develop new products, add research and development personnel, and undergo clinical activities that may be required for regulatory clearances of future products. General and Administrative Expenses General and administrative expenses primarily consist of salaries, consultants' compensation, stock- based compensation expense, and other costs for finance, accounting, legal, compliance, and administrative matters. We expect our general and administrative expenses to increase in absolute dollars as we add personnel and information technology infrastructure to support the growth of our business. We also expect to incur additional general and administrative expenses as a result of operating as a public company, including but not limited to: expenses related to compliance with the rules and regulations of the SEC and those of The Nasdaq Stock Market LLC on which our securities are traded; additional insurance expenses; investor relations activities; and other administrative and professional services. While we expect the general and administrative expenses to increase in absolute dollars, we anticipate that it will decrease as a percentage of revenue over time. Gain (Loss) on Investments Gain (loss) on investments consists of interest income and realized gains and losses from the sale of our investments in money market and corporate debt securities. Interest Expense Interest expense is related to borrowings and includes deemed interest derived from the beneficial conversion prices of notes payable. Other Income (Expense), Net Other income and expenses have not been significant to date. Results of Operations (in thousands, except percentages) Years Ended December 31, Consolidated Statements of Operations Data in Dollars: 2024 2023 Revenue $ 3, 277 $ 2, 928 Cost of goods sold 1, 566 1, 687 Gross profit 1, 711 1, 241 Operating expenses: Research and development 2, 603 3, 163 Sales and marketing 5, 109 6, 778 General and administrative 7, 765 7, 027 Total operating expenses 15, 477 16, 968 Loss from operations (13, 766) (15, 727) Interest and other income (expense), net: Gain on investments 183 167 Interest expense (34) (21) Other expense (56) — Net loss $ (13, 673) $ (15, 581) Years Ended December 31, Consolidated Statements of Operations Data as a Percent of Revenue: 2024 2023 Revenue 100 % 100 % Cost of goods sold 48 58 Gross profit 52 42 Operating expenses: Research and development 79 108 Sales and marketing 156 231 General and administrative 237 240 Total operating expenses 472 580 Loss from operations (420) (537) Interest and other income (expense), net: Gain on investments 6 6 Interest expense (1) (1) Other expense (2) — Net loss (417) % (532) % Comparison of the years ended December 31, 2024 and 2023 (in thousands, except percentages) Revenue, Cost of Goods Sold, Gross Profit, and Gross Margin Years Ended December 31, 2024 2023 $ Change % Change Revenue $ 3, 277 $ 2, 928 $ 349 12 % Cost of goods sold 1, 566 1, 687 (121) (7) % Gross profit $ 1, 711 $ 1, 241 $ 470 38 % Gross profit percentage 52 % 42 % Revenue. The increase in revenue for the year ended December 31, 2024 as compared to 2023 was primarily due to an increase in revenue per surgical procedure on a 0 % change in the number of surgical procedures in which The Catamaran System was used. Cost of Goods Sold, Gross

Profit, and Gross Margin. The change in cost of goods sold for the year ended December 31, 2024 as compared to 2023 was due to the absorption of production overhead costs into our standard cost and operating leverage created due to lower relative fixed costs. Years Ended December 31, 2024 2023 $ Change % Change Research and development $ 2, 603 $ 3, 163 $ (560) (18) % Sales and marketing 5, 109 6, 778 (1, 669) (25) % General and administrative 7, 765 7, 027 738 11 % Total operating expenses $ 15, 477 $ 16, 968 $ (1, 491) (9) % Research and Development Expenses. Research and development expenses for the year ended December 31, 2024 decreased as compared to 2023 primarily due to decreased professional fees ($ 528), stock- based compensation ($ 73) and payroll expenses ($ 39) as we move our focus from research to sustaining our Catamaran portfolio. Sales and Marketing Expenses. Sales and marketing expenses for the year ended December 31, 2024 decreased as compared to 2023 primarily due to SpineSource transition fees in 2023 ($ 932), decreased payroll and employee expenses ($ 499), and consulting and professional fees ($ 178), partially offset by increased commission expense ($ 21) due to restructuring of our sales operations. General and Administrative Expenses. General and administrative expenses for the year ended December 31, 2024 increased as compared to 2023 primarily due to increased insurance costs ($ 331), legal and professional service fees ($ 289), payroll and employee expenses ($ 146), and bad debt expense ($ 41), partially offset by decreases in stock- based compensation ($ 147) due to continued operating expenses. Gain on Investments, Interest Expense and Other Expense, Net Years Ended December 31, 2024 2023 $ Change % Change Gain on investments $ 183 $ 167 $ 16 10 % Interest expense (34) (21) (13) 62 % Other expense, net (56) — (56) Total operating expenses $ 93 $ 146 $ (53) Gain on Investments. Gain on investments for the year ended December 31, 2024 increased as compared to 2023 due to interest on our higher amounts of investments in money market and corporate debt securities. Interest Expense. Interest expense for the year ended December 31, 2024 increased as compared to 2023 primarily due to the convertible debt. Other Expense, Net. Other expense, net for the year ended December 31, 2024 was related to foreign exchange losses on the liquidation of our Swiss subsidiary. Liquidity and Capital Resources As of December 31, 2024, we had cash and cash equivalents of $ 6. 5 million. Since inception, we have financed our operations through private placements of preferred stock, debt financing arrangements, our initial public offering, additional stock offerings and the sale of our products. As of December 31, 2024, we had no outstanding debt. In March 2025, we raised net proceeds of $ 2. 7 million from the exercise of warrants under an inducement agreement. Under the inducement agreement, the holder of the existing warrants to purchase an aggregate of 2, 445, 700 agreed to exercise the warrants at a reduced exercise price of $ 1. 25 per share in consideration for our agreement to issue new unregistered five- year warrants to purchase up to an aggregate of 2, 445, 700 shares of common stock at an exercise price of $ 1. 25 per share and new unregistered three- year warrants to purchase up to an aggregate of 1, 222, 850 shares of common stock at an exercise price of $ 1. 25 per share. On March 25, 2025, we entered into a securities purchase agreement for the issuance of 733, 500 shares of our common stock (or common stock equivalents in lieu thereof) in a registered direct offering at a purchase price of $ 2. 00 per share. In a concurrent private placement, we also agreed to issue to the same investor warrants to purchase up to 733, 500 shares of our common stock at an exercise price of $ 2. 00 per share, which will be exercisable immediately, and will expire five years following the date of issuance. Pursuant to the agreements, we received proceeds, net of financial advisor fees and other transaction expenses, of $ 1, 234. Also on March 25, 2025, we entered into a securities purchase agreement for the issuance of 1, 271, 500 shares of our common stock (or common stock equivalents in lieu thereof) in a registered direct offering at a purchase price of $ 2. 00 per share. In a concurrent private placement, we also agreed to issue to the same investor warrants to purchase up to 1, 271, 500 shares of our common stock at an exercise price of $ 2. 00 per share, which will be exercisable immediately, and will expire five years following the date of issuance. Pursuant to the agreements, we received proceeds, net of financial advisor fees and other transaction expenses, of $ 2, 290. As of December 31, 2024, we had an accumulated deficit of $ 68. 7 million and we expect to incur additional losses in the future. We have not achieved positive cash flow from operations to date. Based upon our current operating plan, our existing cash and cash equivalents will not be sufficient to fund our operating expenses and working capital requirements through at least the next 12 months from the date these consolidated financial statements were available to be released. We plan to raise the necessary additional capital through one or a combination of public or private equity offerings, debt financings, and collaborations. We continue to face challenges and uncertainties and, as a result, our available capital resources may be consumed more rapidly than currently expected due to (a) the uncertainty of future revenues from The Catamaran System; (b) changes we may make to the business that affect ongoing operating expenses; (c) changes we may make in our business strategy; (d) regulatory developments affecting our existing products; (e) changes we may make in our research and development spending plans; and (f) other items affecting our forecasted level of expenditures and use of cash resources. As we attempt to raise additional capital to fund our operations, funding may not be available to us on acceptable terms, or at all. If we are unable to obtain adequate financing when needed, we may have to delay, reduce the scope of or suspend one or more of our sales and marketing efforts, research and development activities, or other operations. We may seek to raise any necessary additional capital through a combination of public or private equity offerings, debt financings, and collaborations. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. If we are unable to raise capital, we will need to delay, reduce, or terminate planned activities to reduce costs. Doing so will likely harm our ability to execute our business plans. Due to the uncertainty in our ability to raise capital, management believes that there is substantial doubt in our ability to continue as a going concern for the next twelve months from the issuance of these consolidated financial statements. Cash Flows

(in thousands, except percentages) The following table sets forth the primary sources and uses of cash for each of the periods presented below: Years Ended December 31, 2024 2023 $ Change % Change Net cash (used in) provided by: Operating activities $ (9, 878) $ (12, 183) $ 2, 305 19 % Investing activities (186) 6, 142 (6, 328) (103) % Financing activities 14, 125 6, 302 7, 823 124 % Effect of foreign currency translation on cash flow 46 38 8 21 % Net increase in cash and cash equivalents $ 4, 107 $ 299 $ 3, 808 1274 % The decrease in net cash used in operating activities for the year ended December 31, 2024 as compared to 2023 was primarily attributable to our decreased net loss ($ 1, 908) and decreased prepaid expenses ($ 484) and increased depreciation and amortization ($ 209), partially offset increases in accounts receivable ($ 96) and decreases in non- cash stock- based compensation expenses ($ 300). Cash used in investing activities for the year ended December 31, 2024 related to purchases of property and equipment ($ 186). Cash provided by investing activities for the year ended December 31, 2023 consisted primarily of the net sales of short- term investments ($ 6, 503) to fund operations, partially offset by purchases of property and equipment ($ 361) as we acquired the components for our surgical tray sets. Cash provided by financing activities for the year ended December 31, 2024 consisted primarily of net proceeds from the issuance of common stock and warrants ($ 3, 846), the exercise of warrants under the inducement agreement ($ 4, 306), the issuance of Series A Convertible Preferred Stock ($ 2, 567) and Series B Convertible Preferred Stock ($ 489) and from issuances of common stock ($ 2, 105). Cash provided by financing activities for the year ended December 31, 2023 consisted of the net proceeds received from our offerings of stock in 2023 ($ 5, 303) in addition to proceeds from the issuance of the Convertible Notes ($ 1, 250). Off- Balance Sheet Arrangements As of December 31, 2024 and 2023, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off- balance sheet arrangements or other contractually narrow or limited purposes. Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK The Company is a smaller reporting company as defined by Rule 12b- 2 of the Exchange Act and is not required to provide the information required under this item. Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA Consolidated Financial Statements Contents Report of Independent Registered Public Accounting Firm (PCAOB ID No. 200) F- 2 Audited Consolidated Financial Statements: Consolidated Balance Sheets F- 3 Consolidated Statements of Operations and Comprehensive Loss F- 4 Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity F- 5 Consolidated Statements of Cash Flows F- 6 Notes to Consolidated Financial Statements F- 7 F- 1 REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM To the Stockholders and Board of Directors Tenon Medical, Inc. Opinion on the Consolidated Financial Statements We have audited the accompanying consolidated balance sheets of Tenon Medical, Inc. (the " Company ") as of December 31, 2024 and 2023, the related consolidated statements of operations and comprehensive loss, convertible preferred stock and stockholders' equity, and cash flows for each of the years then ended, and the related notes (collectively, the " consolidated financial statements "). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2024 and 2023, and the consolidated results of its operations and its cash flows for each of the years then ended, in conformity with U. S. generally accepted accounting principles. Going Concern The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As described in Note 2 to the consolidated financial statements, the Company has experienced recurring losses, negative cash flows from operations, and has limited capital resources. These matters raise substantial doubt about the Company' s ability to continue as a going concern. Management' s plans regarding these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Basis for Opinion These consolidated financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on the Company' s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company' s internal control over financial reporting. Accordingly, we express no such opinion. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion. / s / Haskell & White LLP We have served as the Company' s auditor since 2023. Irvine, California (In thousands, except share data) December 31, December 31, 2024 2023 ASSETS Current assets: Cash and cash equivalents $ 6, 535 $ 2, 428 Accounts receivable, net 863 518 Inventory, net 606 554 Prepaid expenses and other current assets 206 389 Total current assets 8, 210 3, 889 Property and equipment, net 752 961 Deposits 51 51 Operating lease right- of- use asset 399 646 Deferred offering costs 431 798 TOTAL ASSETS $ 9, 843 $ 6, 345 Liabilities and Stockholders' EQUITY Current liabilities: Accounts payable $ 369 $ 433 Accrued expenses 910 808 Current portion of accrued commissions 303 470 Current portion of operating lease liability 287 256 Convertible

notes payable and accrued interest, net of debt discount of $ 0 and $ 77 at December 31, 2024 and 2023, respectively — 1, 173 Total current liabilities 1, 869 3, 140 Accrued commissions, net of current portion 1, 862 1, 999 Operating lease liability, net of current portion 141 428 Total liabilities 3, 872 5, 567 Commitments and contingencies (Note 9) Stockholders' equity: Series A convertible preferred stock, $ 0. 001 par value; 4, 500, 000 shares authorized at December 31, 2024 and 2023; 256, 968 and 0 shares issued and outstanding at December 31, 2024 and 2023, respectively 3, 300 — Series B convertible preferred stock, $ 0. 001 par value; 491, 222 shares authorized at December 31, 2024 and 2023; 86, 454 and 0 shares issued and outstanding at December 31, 2024 and 2023, respectively 452 — Common stock, $ 0. 001 par value; 130, 000, 000 shares authorized at December 31, 2024 and 2023; 3, 138, 804 and 325, 039 shares issued and outstanding at December 31, 2024 and 2023, respectively 3 — Additional paid- in capital 70, 962 55, 897 Accumulated deficit (68, 746) (55, 073) Accumulated other comprehensive loss — (46) Total stockholders' equity 5, 971 778 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY $ 9, 843 $ 6, 345 The accompanying notes are an integral part of these consolidated financial statements. See Report of Independent Registered Public Accounting Firm. Consolidated Statements of Operations and Comprehensive Loss (In thousands, except per share data) Years Ended December 31, 2024 2023 Revenue $ 3, 277 $ 2, 928 Cost of sales 1, 566 1, 687 Gross Profit 1, 711 1, 241 Operating Expenses General and administrative 7, 765 7, 027 Sales and marketing 5, 109 6, 778 Research and development 2, 603 3, 163 Total Operating Expenses 15, 477 16, 968 Loss from Operations (13, 766) (15, 727) Other Income (Expense) Gain on investments 183 167 Interest expense (34) (21) Other expense, net (56) — Total Other Income (Expense), net 93 146 Net Loss $ (13, 673) $ (15, 581) Net Loss Per Share of Common Stock Basic and diluted $ (11. 26) $ (68. 64) Weighted- Average Shares of Common Stock Outstanding Basic and diluted 1, 214 227 Consolidated Statements of Comprehensive Loss: Net loss $ (13, 673) $ (15, 581) Unrealized loss on investments — 16 Foreign currency translation adjustment 46 38 Total Comprehensive Loss $ (13, 627) $ (15, 527) Consolidated Statements of Convertible Preferred Stock and Stockholders' Equity Series A Convertible Preferred Stock Series B Convertible Preferred Stock Common Stock Additional Paid- In Accumulated Accumulated Other Comprehensive Shares Amount Shares Amount Shares Amount Capital Deficit Loss Total Balance at December 31, 2022 — $ — — $ — 140, 460 $ — $ 45, 844 $ (39, 492) $ (100) $ 6, 252 Stock- based compensation expense — — — — — — 4, 145 4, 145 Release of restricted stock units — — — — 7, 650 — — — Issuance of common stock and warrants, net of issuance costs — — — — 125, 000 — 4, 808 4, 808 Issuance of common stock, net of issuance costs — — — — 29, 013 — 495 495 Common stock issued for services — — — — 12, 364 — 289 289 Issuance of common stock upon exercise of warrants — — — — 10, 250 — 258 258 Warrants issued in connection with convertible debt — — — — — — 58 58 Shares issued for reverse stock split — — — — 303 — — — Other comprehensive income — — — — — — — 54 54 Net loss — — — — — — — (15, 581) (15, 581) Balance at December 31, 2023 — — — — 325, 039 — 55, 897 (55, 073) (46) 778 Stock- based compensation expense — — — — — — — 3, 845 3, 845 Release of restricted stock units — — — — 9, 926 — — — Issuance of Series A preferred stock and warrants, net of issuance costs 256, 968 3, 300 — — — — 254 — — 3, 554 Issuance of Series B preferred stock and warrants, net of issuance costs — — 86, 454 452 — — 37 — — 489 Issuance of common stock, prefunded warrants, and warrants, net of issuance costs — — — — 55, 000 — 3, 846 — — 3, 846 Issuance of common stock upon exercise of prefunded warrants — — — — 1, 167, 850 1 (1) — — — Issuance of common stock and warrants under inducement agreement, net of issuance costs — — — — 1, 222, 850 1 4, 305 — — 4, 306 Issuance of common stock upon exercise of warrants — — — — 32, 266 — 812 — — 812 Issuance of common stock, net of issuance costs — — — — 178, 048 — 1, 968 — — 1, 968 Issuance of common stock for reverse stock split — — — — 147, 825 1 (1) — — — Other comprehensive income — — — — — — — — 46 46 Net loss — — — — — — — — (13, 673) (13, 673) Balance at December 31, 2024 256, 968 $ 3, 300 86, 454 $ 452 3, 138, 804 $ 3 $ 70, 962 $ (68, 746) $ — $ 5, 971 See Reports of Independent Registered Public Accounting Firms. (In thousands) Years Ended December 31, 2024 2023 Cash Flows from Operating Activities Net loss $ (13, 673) $ (15, 581) Adjustments to reconcile net loss to net cash used in operating activities: Stock- based compensation expense 3, 845 4, 145 Depreciation and amortization 408 199 Provision for losses on accounts receivable 41 — Amortization of operating right- of- use asset 247 227 Increase (decrease) in cash resulting from changes in: Accounts receivable (386) (290) Inventory (52) (139) Prepaid expenses and other assets 183 (301) Accounts payable (64) (117) Accrued expenses (171) (99) Operating lease liability (256) (227) Net cash used in operating activities (9, 878) (12, 183) Cash Flows from Investing Activities Sales of short- term investments — 6, 996 Purchases of short- term investments — (493) Purchases of property and equipment (186) (361) Net cash (used in) provided by investing activities (186) 6, 142 Cash Flows from Financing Activities Gross proceeds from issuance of Series A convertible preferred stock 2, 605 — Gross proceeds from issuance of Series B convertible preferred stock 550 — Gross proceeds from issuance of common stock, prefunded warrants, and warrants 4, 500 — Gross proceeds from exercise of warrants under inducement agreement 4, 648 — Gross proceeds from issuance of common stock and warrants — 4, 808 Gross proceeds from issuance of common stock 2, 106 495 Gross proceeds from issuance of convertible notes payable — 1, 250 Gross proceeds from exercise of warrants 812 258 Offering costs (1, 096) (509) Net cash provided by financing activities 14, 125 6, 302 Effect of foreign currency translation on cash flow 46 38 Net Increase in Cash and Cash Equivalents 4, 107 299 Cash and Cash Equivalents at Beginning of Year 2, 428 2, 129 Cash and Cash Equivalents at End of Year $ 6, 535 $ 2, 428 Cash at End of Year $ 6, 535 $ 2, 428 Cash Equivalents at End of Year $ — $ — Supplemental Disclosures of Cash Flow Information Non- cash investment and financing activities: Preferred stock issued upon conversion of debt and accrued interest, net of unamortized debt issuance costs $ 1, 186 $ — Reclassification of deferred offering costs to additional paid- in capital $ 367 $ — Warrant modification costs $ 992 $ — Notes to Consolidated Financial Statements (in thousands, except share and per- share data) 1. Organization and Business Nature of operations Tenon Medical, Inc. (the " Company ") was incorporated in the State of Delaware on June 19, 2012 and was headquartered in San Ramon,

California until June 2021 when it relocated to Los Gatos, California. The Company is a medical device company that has developed The Catamaran ™ SI Joint Fusion System (“ The Catamaran System ”) that offers a novel, less invasive approach to the sacroiliac joint (the “ SI Joint ”) using a single, robust, titanium implant for treatment of the most common types of SI Joint disorders that cause lower back pain. The Company received U. S. Food and Drug Administration (“ FDA ”) clearance in 2018 for The Catamaran System and is currently focused on the US market. Since the national launch of The Catamaran System in October 2022, the Company is focused on three commercial opportunities: 1) Primary SI Joint procedures, 2) Revision procedures of failed SI Joint implants and 3) SI Joint fusion adjunct to a spine fusion construct. Basis of consolidation The consolidated financial statements of the Company for the year ended December 31, 2023 include the accounts of its wholly- owned subsidiary, Tenon Technology AG (“ TTAG ”), a Swiss company. All intercompany balances and transactions have been eliminated in consolidation. The financial statements of TTAG are prepared for the same reporting period as the parent, using consistent accounting policies in all material respects. In 2024, TTAG was dissolved and, as such, the financial statements for the year ended December 31, 2024 only include the accounts of the Company since the date of dissolution. TTAG had no substantial operations. 2. Summary of Significant Accounting Principles Basis of presentation The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with generally accepted accounting principles as promulgated in the United States of America (“ U. S. GAAP ”). Going concern uncertainty and liquidity requirements The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. There is substantial doubt about the Company’ s ability to continue as a going concern for one year after the date that these financial statements are issued. Since inception, the Company has incurred losses and negative cash flows from operations. Management expects to incur additional operating losses and negative cash flows from operations in the foreseeable future as the Company continues its product development programs and the commercialization of The Catamaran System. Based on the Company’ s expected level of revenues and expenditures, the Company believes that its existing cash and cash equivalents as of December 31, 2024 will not provide sufficient funds to enable it to meet its obligations for a period of at least twelve months from the date of the filing of these consolidated financial statements. The Company plans to raise the necessary additional capital through one or a combination of public or private equity offerings, debt financings, and collaborations (see Note 13). The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Use of estimates The preparation of the consolidated financial statements in conformity with U. S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates made by management include, but are not limited to, realization of deferred tax assets, accrued liabilities, obsolescence of inventory, the fair value of accrued commissions and stock- based compensation. On November 2, 2023, the Company effected a 1- for- 10 reverse stock split (the “ 2023 Reverse Stock Split ”) by filing an amendment to the Company’ s Amended and Restated Certificate of Incorporation, as amended, with the Delaware Secretary of State. The 2023 Reverse Stock Split combined every ten shares of our common stock issued and outstanding immediately prior to effecting the 2023 Reverse Stock Split into one share of common stock. No fractional shares were issued in connection with the 2023 Reverse Stock Split. On September 6, 2024, the Company effected a 1- for- 8 reverse stock split (the “ 2024 Reverse Stock Split ”) by filing an amendment to the Company’ s Amended and Restated Certificate of Incorporation, as amended, with the Delaware Secretary of State. The 2024 Reverse Stock Split combined every eight shares of our common stock issued and outstanding immediately prior to effecting the 2024 Reverse Stock Split into one share of common stock. No fractional shares were issued in connection with the 2024 Reverse Stock Split. All historical share and per share amounts reflected throughout this document have been adjusted to reflect the 2023 Reverse Stock Split and the 2024 Reverse Stock Split. The authorized number of shares and the par value per share of the Company’ s common stock were not affected by the 2023 Reverse Stock Split or the 2024 Reverse Stock Split. Segments The Company operates in one business segment. Although the Company’ s Swiss subsidiary is located in a different geographical area, management uses one measurement of profitability and does not segregate its business for internal reporting. See Note 12. The Company considers all highly liquid investments with maturities of 90 days or less at the date of purchase to be cash equivalents. The Company classifies its investments in marketable securities as available- for- sale and records them at fair value in its consolidated balance sheets. The net unrealized gains and losses are recorded as a separate component of stockholders’ equity. Realized gains and losses are recorded in the consolidated statements of operations and comprehensive loss. The Company determines any realized gains or losses on the sale of marketable debt securities on a specific identification method and records such gains and losses as a component of other income (expense) net. Accounts receivable and expected credit losses Accounts receivable are derived from products delivered to customers and are stated at their net realizable value. The Company records an allowance for estimated uncollectible accounts in an amount approximating anticipated losses. Individual uncollectible accounts are written off against the allowance when collection of the individual accounts appears doubtful. In determining the amount of the allowance, the Company considers its historical level of credit losses. The Company also makes judgments about the creditworthiness of significant customers based on ongoing credit evaluations, and the Company assesses current economic trends that might impact the level of credit losses in the future. Historically, the Company has had no significant write- offs of accounts receivable. However, since the Company cannot reliably predict future changes in the financial stability of its customers, it cannot guarantee that its allowances will continue to be adequate. If actual credit losses are significantly greater than the allowance, the Company would increase its general and administrative expenses and increase its reported net losses. The Company’ s allowance for expected credit losses

was $ 41 and $ 0 at December 31, 2024 and 2023, respectively. Inventory is stated at lower of cost or net realizable value. The Company establishes the inventory basis by determining the cost based on standard costs approximating the purchase costs on a first- in, first- out basis. The excess and obsolete inventory is estimated based on quantities on hand, expectations of future demand and market conditions. Inventory write- downs are charged to cost of goods sold. As of December 31, 2024 and 2023, inventory consisted of finished goods and raw materials. Deferred offering costs, which consist of direct incremental legal, consulting, banking, and accounting fees relating to the Company' s future offerings, are capitalized, and are offset against proceeds received upon the effectiveness of the offering or the closing of an equity transaction. In the event an anticipated offering is terminated, deferred offering costs will be expensed. Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight- line method over the estimated useful lives of the assets. Equipment, computers, software, and furniture and fixtures are depreciated over periods ranging from three to seven years, and leasehold improvements over the shorter of the lease term or the life of the asset. Construction in progress pertains to the cost of individual components of a custom instrument set used for surgical placement of the Company' s products that have not yet been placed into service. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Deductions are made for retirements resulting from renewals or betterments. Leases The Company leases its headquarters in Los Gatos, California. At the inception of a contract, the Company assesses whether that contract is, or contains, a lease. The Company' s assessment is based on: (1) whether the contract involves the use of a distinct identified asset, (2) whether the Company obtains the right to substantially all the economic benefit from the use of the asset throughout the term, and (3) whether the Company has the right to direct the use of the asset. At inception of a lease, the Company allocates the consideration in the contract to each lease and non- lease component based on the component' s relative stand- alone price to determine the lease payments. Lease and non- lease components are accounted for separately. F- 8 Leases are classified as either finance leases or operating leases based on criteria in accordance with Accounting Standards Codification (" ASC ") 842, Leases. The Company' s facility lease is classified as an operating lease. Right- of- use assets represent the Company' s right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease right- of- use assets and liabilities are recognized at the lease' s commencement date based on the present value of lease payments over the lease term. When a lease did not provide an implicit rate, the Company used its estimated incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments. The Company has elected not to recognize ROU assets and lease liabilities for short- term operating leases that have a term of 12 months or less. Lease expense for operating leases is recognized on a straight- line basis over the lease term and is included in operating expenses in the consolidated statements of operations and comprehensive loss. Long- lived assets The Company regularly reviews the carrying value and estimated lives of all of its long- lived assets, including property and equipment, to determine whether indicators of impairment may exist that warrant adjustments to carrying values or estimated useful lives. The determinants used for this evaluation include management' s estimate of the asset' s ability to generate positive income from operations and positive undiscounted cash flow in future periods as well as the strategic significance of the assets to the Company' s business objectives. Fair value measurements In accordance with ASC 820, Fair Value Measurement, fair value is the price that would be received from selling an asset or paid to transfer a liability (i. e., the exit price) in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company' s assumptions about the inputs that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels based on the inputs as follows: Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reported date. Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reported date. The nature of these financial instruments includes cash instruments for which quoted prices are available but are traded less frequently, derivative instruments whose fair values have been derived using a model where inputs to the model are directly observable in the market and instruments that are fair valued using other financial instruments, the parameters of which can be directly observed. Level 3 – Instruments that have little to no pricing observability as of the measurement date. These financial instruments are measured using management' s best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation. The degree of judgment exercised by the Company in determining fair value is greatest for assets categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined by the lowest level input that is significant to the fair value measurement. Income taxes Income taxes are recorded in accordance with ASC 740, Income Taxes, which provides for deferred taxes using an asset and liability approach. Under this method, the Company records deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates expected to be in effect when the differences are expected to reverse. Valuation allowances are provided when necessary to reduce net deferred tax assets to the amount that is more likely than not to be realized. Based on the available evidence, the Company is unable, at this time, to support the determination that it is more likely than not that its deferred tax assets will be utilized in the future. Accordingly, the Company recorded a full valuation allowance as of

December 31, 2024 and 2023. The Company intends to maintain valuation allowances until sufficient evidence exists to support its reversal. Current income taxes are based upon the year' s income taxable for federal, state, and foreign tax reporting purposes. Deferred income taxes are provided for certain income and expenses, which are recognized in different periods for tax and financial reporting purposes. F- 9 The Company' s policy is not to record deferred income taxes on the undistributed earnings of foreign subsidiaries that are indefinitely reinvested in foreign operations. Revenue recognition The Company' s revenue is derived from the sale of its products to medical groups and hospitals in the United States. Revenue is recognized when control is transferred to the customer, in an amount that reflects the consideration we expect to be entitled to in exchange for the goods or services, using the following five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied. The Company generates revenue from the sale of products to hospitals or medical facilities where its products are delivered in advance of a procedure. The performance obligation is the delivery of the products along with the completion of the surgery and therefore, revenue is recognized upon delivery to the customers and completion of the surgery, net of rebates and price discounts. The Company accounts for rebates and price discounts as a reduction to revenue. Sales prices are specified prior to the transfer of control to the customer, via either the customer contract, agreed price list, purchase order, or written communication with the customer. For direct sales to end- user customers, the Company' s standard payment terms are generally net 30 days. The Company offers its standard warranty to all customers and does not sell any warranties on a standalone basis. The Company' s warranty provides that its products are free of material defects and conform to specifications, and includes an offer to replace or refund the purchase price of defective products. This assurance does not constitute a service and is not considered a separate performance obligation. The Company estimates warranty liabilities at the time of revenue recognition and records them as a charge to cost of goods sold. Contract modifications generally do not occur during the performance of the Company' s contracts. Payments received prior to satisfying the revenue recognition criteria are recorded as deferred revenue on the consolidated balance sheets. As of December 31, 2024 and 2023, there were no remaining performance obligations that would give rise to deferred revenue. Except as described in Note 9, sales commissions are recorded in sales and marketing expenses during the same period as the corresponding revenues. The Company engages in improving existing products and new product development efforts. Research and development expenses relating to these efforts are expensed as incurred. The Company accounts for all stock- based compensation awards using a fair- value method on the grant date and recognizes the fair value of each award as an expense over the requisite service period. The Company recognizes compensation costs related to stock- based awards granted to employees, directors, and consultants, including restricted stock units and stock options, based on the estimated fair value of the awards on the date of grant. For restricted stock units, the Company estimates grant date fair value based on the closing market price on the date of grant. For stock options, the company estimates the grant date fair value using the Black- Scholes option- pricing model. The grant date fair value of the stock- based awards is generally recognized on a straight- line basis over the requisite service period, which is generally the vesting period of the respective awards. The Black- Scholes option- pricing model requires the use of subjective assumptions to determine the fair value of stock- based awards. These assumptions include: Expected Term — The expected term represents the period that stock- based awards are expected to be outstanding. The expected term for option grants is determined using the simplified method as the Company does not have significant stock option exercises in its history. The simplified method deems the expected term to be the midpoint between the vesting date and the contractual life of the stock- based awards. Expected Volatility — Since the Company has only been publicly held since April 2022 and does not have any trading history for its common stock prior to that date, the expected volatility was estimated based on the average volatility for comparable publicly traded companies over a period equal to the expected term of the stock option grants. The comparable companies were chosen based on their similar size, stage in the life cycle, or area of specialty. Risk- Free Interest Rate — The risk- free interest rate is based on the U. S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of option. Expected Dividends — The Company has never paid dividends on its common stock and has no plans to pay dividends on its common stock. Therefore, an expected dividend yield of zero is used. The Company accounts for forfeitures as they occur. F- 10 The Company' s board of directors intends all options granted to be exercisable at a price per share not less than the per share fair value of our common stock underlying those options on the date of grant. Foreign currency translation and other comprehensive income The functional currency of Tenon Technology AG is the Swiss franc. Accordingly, TTAG' s assets and liabilities are translated from their respective functional currency into U. S. Dollars at period- end rates, and TTAG' s revenue and expenses are translated at the weighted- average exchange rate for the period. Adjustments resulting from this translation process are classified as other comprehensive income or loss and shown as a separate component of equity. When intercompany foreign currency transactions between entities included in the consolidated financial statements are of a long- term investment nature (i. e., those for which settlement is not planned or anticipated in the foreseeable future) foreign currency translation adjustments resulting from those transactions are included in stockholders' equity as accumulated other comprehensive loss or income. When intercompany transactions are deemed to be of a short- term nature, translation adjustments are required to be included in the consolidated statements of operations. Net loss per share Basic net loss per share is based upon the weighted- average number of common shares outstanding. Diluted net loss per share is based on the assumption that all potential common stock equivalents (convertible preferred stock, stock options, and warrants) are converted or exercised. The calculation of diluted net loss per share excludes potential common stock equivalents if the effect is anti- dilutive. For the periods presented, the Company' s weighted- average common shares outstanding for

basic and diluted are the same because the effect of the potential common stock equivalents is anti- dilutive. The Company had the following dilutive common stock equivalents as of December 31, 2024 and 2023 which were excluded from the calculation because their effect was anti- dilutive. December 31, 2024 2023 Outstanding restricted stock units 20, 224 9, 615 Outstanding stock options 11, 322 12, 761 Outstanding warrants 2, 728, 160 240, 950 Outstanding Convertible Preferred Shares 896, 661 — Total 3, 565, 367 263, 326 Adoption of New Accounting Pronouncements In November 2023, the Financial Accounting Standards Board (the " FASB ") issued Accounting Standards Update (" ASU ") No. 2023- 07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which increases the disclosures about reportable segments including more detailed information about a reportable segment' s expenses. This guidance is effective for the Company for the fiscal year ended December 31, 2024 and the interim periods thereafter. Adoption of this guidance had no effect on the Company' s results of operations, as the changes are disclosure related. See Note 12. Recent Accounting Pronouncements Not Yet Adopted In December 2023, the FASB issued ASU 2023- 09, Income Taxes (Topic 740) – Improvements to Income Tax Disclosures, which requires additional tax disclosures about a reporting entity' s effective tax rate reconciliation as well as information on income taxes paid. This guidance will be effective on a prospective basis, with the option to apply it retrospectively, for fiscal years beginning after December 15, 2024. We are currently evaluating the impact of adopting this new accounting guidance. In November 2024, the FASB issued ASU 2024- 03, Disaggregation of Income Statement Expenses, which requires additional disclosure of specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. ASU 2024- 03 is effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods beginning after December 15, 2027. The requirements will be applied prospectively with the option for retrospective application. Early adoption is permitted. We are currently evaluating the impact of adopting this new accounting guidance. F- 11 3. Inventory, net Inventory, net of reserves, consisted of the following: December 31, 2024 December 31, 2023 Raw materials $ 21 $ 22 Finished goods 585 532 Inventory $ 606 $ 554 4. Propety and Equipment, net Property and equipment, net, consisted of the following: December 31, 2024 December 31, 2023 Construction in progress $ 541 $ 602 Catamaran tray sets 785 538 IT equipment 56 56 Leasehold improvements 15 15 Lab equipment 14 14 Office furniture 9 9 Property and equipment, gross 1, 420 1, 234 Less: accumulated depreciation (668) (273) Property and equipment, net $ 752 $ 961 Construction in progress is made up of reusable components that are intended to be assembled into Catamaran Tray Sets. Depreciation expense was approximately $ 395 and $ 193 for the years ended December 31, 2024 and 2023, respectively. 5. Accrued Expenses Accrued expenses consisted of the following: December 31, 2024 December 31, 2023 Accrued compensation $ 416 $ 334 Accrued professional services fees 271 244 Other accrued expenses 223 230 Total accrued expenses $ 910 $ 808 6. Debt In November 2023, the Company entered into Securities Purchase Agreements with certain investors (the " Investors "), pursuant to which the Company sold to the Investors a total of $ 1, 250, 000 in secured notes (the " Convertible Notes ") and warrants to purchase 5, 625 shares of the Company' s common stock at an exercise price equal to $ 15. 52 per share. The Convertible Notes bear an interest rate of 10 % per annum with a default rate of 12 % per annum and have a maturity date of November 21, 2024. All principal and accrued interest is payable at maturity. At any time during the term of the Convertible Notes, the principal amount together with all accrued interest thereon (the " Prepayment Amount ") may be paid in full, but not in part, by the Company. The Prepayment Amount may be paid by the Company in cash or by the issuance to the Investors of shares of Series A Preferred Stock, if prior to such payment with Series A Preferred Stock (i) certain stockholder proposals described in the Convertible Notes are approved by the Company' s stockholders; and (ii) the Company has commitments from investors other than the Investors to purchase shares of Series A Preferred Stock with a stated value of at least $ 3, 750, 000. The Convertible Notes are secured by a first priority security interest in all of the assets of the Company. The warrants expire five years from the issuance date. The warrants contain a " cashless exercise " feature and contain anti- dilution rights on subsequent issuances of equity or equity equivalents. On February 20, 2024, the Investors agreed to a complete prepayment of the Company' s obligations under the Convertible Notes, including accrued interest, in exchange for 84, 729 shares of Series A Preferred Stock and warrants to purchase 19, 637 shares of our common stock at $ 10. 164 per share and the Convertible Notes were cancelled. See Note 8. F- 12 7. Leases In June 2021, the Company entered into a facility lease agreement for its company headquarters in Los Gatos, California. This non- cancellable operating lease expires in June 2026. Operating lease costs for the facility lease were $ 292 and $ 292 for the years ended December 31, 2024 and 2023, respectively. Supplemental balance sheet information related to leases was as follows: December 31, December 31, 2024 2023 Operating lease right- of- use asset $ 399 $ 646 Operating lease liability, current $ (287) $ (256) Operating lease liability, noncurrent (141) (428) Total operating lease liabilities $ (428) $ (684) Future maturities of operating lease liabilities as of December 31, 2024 were as follows: 2025 $ 311 2026 144 Total lease payments 455 Less: imputed interest (27) Present value of operating lease liabilities $ 428 Other information: Cash paid for operating leases for the year ended December 31, 2024 $ 301 Cash paid for operating leases for the year ended December 31, 2023 $ 293 Remaining lease term- operating leases (in years) 1. 50 Average discount rate- operating leases 8. 0 % 8. Stockholders' Equity The Company' s current Amended and Restated Certificate of Incorporation dated February 18, 2014 authorizes the issuance of 130, 000, 000 shares of common stock and 20, 000, 000 shares of preferred stock, both with a par value of $ 0. 001 per share. With respect to the preferred stock, 4, 500, 000 shares are designated Series A Preferred Stock and 491, 222 shares are designated Series B Preferred Stock. At- the- Market Offering Program On May 4, 2023, the Company entered into an Equity Distribution Agreement to establish an at- the- market offering program, under which the Company may sell from time to time, at its option, shares of its common stock having an aggregate gross sales price of $ 5. 5 million. The Company is required to pay the Sales Agents a commission of 3 % of the gross proceeds from the sale of shares and has also agreed to provide the Sales Agents with customary

indemnification rights. During the year ended December 31, 2023, 29, 013 shares of the Company' s common stock were sold under the program at a weighted- average price of $ 18. 16 per share with aggregate net proceeds of $ 495. During the year ended December 31, 2024, 129, 199 shares of the Company' s common stock were sold under the program at a weighted- average price of $ 14. 63 per share with aggregate proceeds, net of issuance costs, of $ 1, 709. 2023 Registered Offering On June 16, 2023, the Company closed the Registered Offering of a total of 1, 000, 000 units (the " Units ") for proceeds, net of issuance costs, of $ 4, 808, with each Unit consisting of (i) one share of the Company' s common stock, and (ii) two warrants, each warrant to purchase one share of the Company' s common stock at an exercise price equal to $ 44. 80 per share (the " Offering Warrants "). The Offering Warrants were exercisable upon issuance and will expire five years from the date of issuance. Per the terms of the Offering Warrants, the exercise price reset on July 16, 2023 to $ 25. 168 per share. Equity Line of Credit On July 24, 2023, the Company entered into a purchase agreement (" Purchase Agreement ") with Lincoln Park Capital Fund, LLC (" Lincoln Park "), under which, subject to specified terms and conditions, the Company may sell to Lincoln Park up to $ 10 million of shares of common stock from time to time during the term of the Purchase Agreement. On September 22, 2023 (the " Commencement Date ") and on May 10, 2024, the Company filed registration statements with the SEC covering the resale of shares of common stock issued to Lincoln Park under the Purchase Agreement. F- 13 Beginning on the Commencement Date and for a period of 24 months thereafter, under the terms and subject to the conditions of the Purchase Agreement, from time to time, at the Company' s discretion, the Company has the right, but not the obligation, to sell to Lincoln Park, and Lincoln Park is obligated to purchase, up to $ 10 million of shares of common stock, subject to certain limitations set forth in the Purchase Agreement. Specifically, from time to time from and after the Commencement Date, the Company may, at its discretion, direct Lincoln Park to purchase on any single business day on which the closing price of its common stock on The Nasdaq Capital Market (" Nasdaq ") is equal to or greater than $ 1. 50 up to 10, 000 shares of common stock (a " Regular Purchase "); provided, that the Company may direct Lincoln Park to purchase in a Regular Purchase (i) up to 12, 500 shares of common stock, if the closing sale price of its common stock on Nasdaq on such business day is at least $ 15. 00 per share and (ii) up to 15, 000 shares of common stock, if the closing sale price of its common stock on Nasdaq on such business day is at least $ 25. 00 per share. In no case, however, will Lincoln Park' s commitment with respect to any single Regular Purchase exceed $ 500, 000; provided, that the parties may mutually agree at any time to increase the maximum number of shares of common stock the Company may direct Lincoln Park to purchase in any single Regular Purchase to up to 100, 000 shares or any number of shares that shall not exceed 4. 99 % of the then outstanding shares of common stock. The foregoing share amounts and per share prices will be adjusted for any reorganization, recapitalization, non- cash dividend, stock split, reverse stock split or other similar transaction occurring after the date of the Purchase Agreement with respect to our common stock. The purchase price per share for each such Regular Purchase will be based on prevailing market prices of the Company' s common stock immediately preceding the time of sale, as determined under the Purchase Agreement. During the year ended December 31, 2024, 48, 849 shares of the Company' s common stock were sold under the program at a weighted- average price of $ 5. 56 per share with aggregate net proceeds of $ 260. On February 20, 2024, the Company entered into a Securities Purchase Agreement with certain investors, pursuant to which the Company agreed to sell, issue and deliver to these investors, in a private placement offering, a total of 172, 239 shares of the Company' s Series A Preferred Stock and warrants (the " Series A Warrants ") to purchase 258, 374 shares of Common Stock at an exercise price equal to $ 1. 2705 per share for net proceeds of $ 2, 437 after deducting offering costs. Additionally, on February 20, 2024, the Investors agreed to a complete prepayment of the Company' s obligations under the Convertible Notes, including accrued interest, in exchange for 84, 729 shares of Series A Preferred Stock and warrants to purchase 157, 094 shares of our common stock at $ 1. 2705 per share and the Convertible Notes were cancelled. The Series A Warrants are immediately exercisable and expire five years from the date of issuance. The Series A Preferred Stock is convertible, at any time, at the option of the holder into shares of Common Stock. Each share of Series A Preferred Stock shall be convertible, at any time after the date of issuance, at the option of the holder thereof (or, upon a Required Conversion (as defined below), at the option of the Corporation), into that number of shares of Common Stock determined by dividing the Stated Value (as defined below) for such share of Series A Preferred Stock by the Conversion Price (as defined below). " Stated Value " means for any share of Series A Preferred Stock, an amount equal to the product of (x) $ 15. 125 multiplied by (y) the sum of 1 plus the product of (A) 0. 06 multiplied by (B) a fraction equal to the number of days that such share of Series A Preferred Stock has been issued divided by 365. " Conversion Price " means (i) for the shares of Series A Preferred Stock issued on the Closing Date, $ 1. 5125 and (ii) for each share of Series A Preferred Stock issued thereafter, an amount equal to the greater of (x) $ 1. 5125 and the average of the VWAPs for the 10 Trading Days prior the issuance date of such share of Series A Preferred Stock, in each case subject to adjustment as set forth herein. On any date that ten out of the last 15 daily VWAPs of the Common Stock is 250 % higher than the Conversion Price on such date, then the Company will have the right to require 50 % of the Preferred Stock to be converted into shares of Common Stock. Additionally, on and after the time on which the Company has $ 2. 25 million in revenues in any single financial quarter, the Company will have the right to require 50 % of the Preferred Stock to be converted into shares of Common Stock (a " Required Conversion "). No dividends are payable on the Series A Preferred Stock. The Series A Preferred Stock will vote together with the Common Stock on all matters other than as required by law; provided however that any additional shares underlying the Series A Preferred Stock as a result of the anti- dilution provision described below shall not vote on an " as converted " basis and shall only vote when issued upon conversion. Notwithstanding the foregoing, the vote of an individual holder of Series A Preferred Stock (and underlying Common Stock) shall be capped at 9. 99 % (or 4. 99 % if selected by the holder). The Conversion Price is subject to anti- dilution adjustment as the result of any subdivision, combination of shares or recapitalization,

stock dividends, stock splits and similar transactions affecting the Common Stock. In addition, the Series A Preferred Stock will have weighted average anti- dilution protection providing for adjustment of the Conversion Price in the event of issuance of, or commitments to issue, Common Stock for less than the Conversion Price then in effect immediately prior to such issue or sale (a " Dilutive Issuance "), subject to customary exceptions; provided however the anti- dilution for Dilutive Issuances shall not be operative until the stockholders of the Company have approved the terms of the Series A Preferred Stock, which approval was granted at the annual shareholder meeting on July 23, 2024. Upon any liquidation or winding up of the Company (a " Liquidation "), the holders of Series A Preferred Stock will be entitled to receive in preference to any other class or series of the Company' s equity securities the greater of (i) the Stated Value plus accrued and unpaid dividends and (ii) what would be paid if the Series A Preferred Stock plus accrued and unpaid dividends had been converted into Common Stock. A consolidation or merger of the Company or sale or transfer of all or substantially all of its assets, or any transaction which results in the stockholders of the Company owning less than 50 % of the equity or voting power of the surviving entity (excluding the issuance of Common Stock in any financing transaction unless more than 50 % of the Company' s shares are issued to one stockholder or a number of stockholders who act as a one group) shall be deemed a Liquidation (a " Deemed Liquidation ") with respect to the shares of Series A Preferred Stock of any holder who opts to have such occurrence treated as a Deemed Liquidation; provided that if the liquidation preference payable on a Deemed Liquidation is less than 110 % of the stated value of the Series A Preferred Stock, the dividend rate on any accrued and unpaid dividends payable with respect to such Deemed Liquidation will increase to 10 %. All liquidation preferences payable in respect of a Deemed Liquidation will be payable in shares of Common Stock based on the closing price of the Common Stock on the date of such Deemed Liquidation. Consent of the majority of the holders will be required to (i) amend the Certificate of Incorporation or Bylaws of the Company so as to adversely alter the rights, preferences, privileges of the Series A Preferred Stock, (ii) create any new class of shares pari passu or senior to the Series A Preferred Stock or increase or decrease the number of authorized shares of Common Stock or preferred stock, (iii) pay or declare any dividend on Common Stock or other junior securities, or incur indebtedness in any single transaction in excess of $ 1 million or (iv) redeem, purchase or otherwise acquire any share or shares of preferred stock or Common Stock (other than (a) the repurchase of shares of Common Stock pursuant to a written benefit plan or employment or consulting agreement, or (b) the repurchase of any equity securities in connection with the Company' s right of first offer with respect to those securities contained in any written agreement with the Company). F- 14 On September 5, 2024, the Company entered into a Securities Purchase Agreement (the " Purchase Agreement ") with certain investors, pursuant to which the Company agreed to sell, issue and deliver to the Investors, in a private placement offering, a total of 86, 454 shares of the Company' s Series B Preferred Stock (the " Series B Preferred Stock ") and warrants (the " Series B Warrants ") to purchase 16, 214 shares of Common Stock at an exercise price equal to $ 4. 2756 per share for net proceeds of $ 489, 000 after deducting offering costs. The Series B Warrants are immediately exercisable and expire five years from the date of issuance. The Series B Preferred Stock is convertible, at any time, at the option of the holder into shares of Common Stock. Each share of Series B Preferred Stock shall be convertible, at any time after the date of issuance, at the option of the holder thereof (or, upon a Required Conversion (as defined below), at the option of the Corporation), into that number of shares of Common Stock determined by dividing the Stated Value (as defined below) for such share of Series B Preferred Stock by the Conversion Price (as defined below). " Stated Value " means for any share of Series B Preferred Stock, an amount equal to the product of (x) $ 6. 3625 multiplied by (y) the sum of 1 plus the product of (A) 0. 06 multiplied by (B) a fraction equal to the number of days that such share of Series B Preferred Stock has been issued divided by 365. " Conversion Price " means $ 5. 09 per share, subject to adjustment as set forth herein. On any date that ten out the last 15 daily VWAPs of the Common Stock is 250 % higher than the Conversion Price on such date, then the Company will have the right to require 50 % of the Preferred Stock to be converted into shares of Common Stock. Additionally, on and after the time on which the Company has $ 2. 25 million in revenues in any single financial quarter, the Company will have the right to require 50 % of the Preferred Stock to be converted into shares of Common Stock (a " Required Conversion "). No dividends are payable on the Series B Preferred Stock. The Series B Preferred Stock will vote together with the Common Stock on all matters other than as required by law; provided however that any additional shares underlying the Series B Preferred Stock as a result of the anti- dilution provision described below shall not vote on an " as converted " basis and shall only vote when issued upon conversion. Notwithstanding the foregoing, the vote of an individual holder of Series B Preferred Stock (and underlying Common Stock) shall be capped at 9. 99 % (or 4. 99 % if selected by the holder). The Conversion Price is subject to anti- dilution adjustment as the result of any subdivision, combination of shares or recapitalization, stock dividends, stock splits and similar transactions affecting the Common Stock. In addition, the Series B Preferred Stock will have weighted average anti- dilution protection providing for adjustment of the Conversion Price in the event of issuance of, or commitments to issue, Common Stock for less than the Conversion Price then in effect immediately prior to such issue or sale (a " Dilutive Issuance "), subject to customary exceptions; provided however the anti- dilution for Dilutive Issuances shall not be operative until the stockholders of the Company have approved the terms of the Series B Preferred Stock. Upon any liquidation or winding up of the Company (a " Liquidation "), the holders of Series B Preferred Stock will be entitled to receive in preference to any other class or series of the Company' s equity securities the greater of (i) the Stated Value plus accrued and unpaid dividends and (ii) what would be paid if the Series B Preferred Stock plus accrued and unpaid dividends had been converted into Common Stock. A consolidation or merger of the Company or sale or transfer of all or substantially all of its assets, or any transaction which results in the stockholders of the Company owning less than 50 % of the equity or voting power of the surviving entity (excluding the issuance of Common Stock in any financing transaction unless more than 50 % of the Company' s shares are issued to one stockholder or a number of

stockholders who act as a one group) shall be deemed a Liquidation (a " Deemed Liquidation ") with respect to the shares of Series B Preferred Stock of any holder who opts to have such occurrence treated as a Deemed Liquidation; provided that if the liquidation preference payable on a Deemed Liquidation is less than 110 % of the stated value of the Series B Preferred Stock, the dividend rate on any accrued and unpaid dividends payable with respect to such Deemed Liquidation will increase to 10 %. All liquidation preferences payable in respect of a Deemed Liquidation will be payable in shares of Common Stock based on the closing price of the Common Stock on the date of such Deemed Liquidation. Consent of the majority of the holders will be required to (i) amend the Certificate of Incorporation or Bylaws of the Company so as to adversely alter the rights, preferences, privileges of the Series B Preferred Stock, (ii) create any new class of shares pari passu or senior to the Series B Preferred Stock or increase or decrease the number of authorized shares of Common Stock or preferred stock, (iii) pay or declare any dividend on Common Stock or other junior securities, or incur indebtedness in any single transaction in excess of $ 1 million or (iv) redeem, purchase or otherwise acquire any share or shares of preferred stock or Common Stock (other than (a) the repurchase of shares of Common Stock pursuant to a written benefit plan or employment or consulting agreement, or (b) the repurchase of any equity securities in connection with the Company' s right of first offer with respect to those securities contained in any written agreement with the Company) 2024 Public Offering On September 12, 2024, the Company entered into a placement agency agreement (the " Placement Agency Agreement ") with A. G. P. / Alliance Global Partners (the " Placement Agent "), and a securities purchase agreement (the " Purchase Agreement ") with a single health- care focused institutional investor pursuant to which the Company agreed to issue and sell, in a " reasonable best efforts " public offering (the " Offering "), (i) 55, 000 shares (the " Shares ") of the Company' s common stock, par value $ 0. 001 (the " Common Stock "), (ii) pre- funded warrants to purchase up to 1, 167, 850 shares of Common Stock (the " Pre- Funded Warrants ") and (iii) warrants to purchase up to 1, 222, 850 shares of Common Stock at an exercise price of $ 3. 55 per share (the " Common Warrants ") at a combined offering price of $ 3. 68 per Share and accompanying Common Warrant, and $ 3. 68, less $ 0. 0001 per Pre- Funded Warrant and accompanying Common Warrant for net proceeds of $ 3, 846 after deducting offering costs. The Common Warrants were exercisable upon issuance and will expire five years from the date of issuance. F- 15 2024 Warrant Inducement On September 16, 2024, the Company entered into an Inducement Letter with Armistice Capital, LLC (the " Selling Stockholder ") who held all of the Common Warrants. Pursuant to the Inducement Letter, the Selling Stockholder agreed to exercise the Common Warrants for cash at the exercise price of $ 3. 55 per share in consideration for the Company' s agreement to issue, for an additional payment of $ 0. 125 per New Warrant, (i) the Series A New Warrants to purchase up to an aggregate of 1, 222, 850 shares of Common Stock at an exercise price of $ 4. 28 per share, which are exercisable for five years after issuance and (ii) the Series B New Warrants to purchase up to an aggregate of 1, 222, 850 shares of Common Stock at an exercise price of $ 4. 28 per share, which are exercisable for three years after issuance. The Company received net proceeds of approximately $ 4, 306 from the exercise of the Common Warrants and the placement of the New Warrants, after deducting financial advisor fees and other transaction expenses. The warrant inducement was accounted for as a modification of the Common Warrants. Voting rights The holders of vested shares of common stock are entitled to vote on any matter submitted to a vote of the stockholders and each such holder is entitled to one vote per share of common stock held. The holders of Series A and Series B Preferred Stock are entitled to vote together with the common stock as a single class on any matter submitted to a vote of the stockholders. Holders of Series A and Series B Preferred Stock are entitled to the number of votes equal to the number of common stock issuable upon conversion of their respective Series A and Series B Preferred Stock at the time such shares are voted. The holders of a majority of the preferred stock had additional voting rights as specified in the Company' s Amended and Restated Certificate of Incorporation, as amended. Equity awards In 2012, the Board of Directors of the Company (the " Board ") approved the Tenon Medical, Inc. 2012 Equity Incentive Plan (the " 2012 Plan "). The 2012 Plan provides for the issuance of common stock options, appreciation rights, and other awards to employees, directors, and consultants. Options issued under the 2012 Plan generally vest over a period of two to four years and have a 10- year expiration date. In April 2021, the Board increased the number of shares of common stock reserved for issuance under the 2012 Plan to 662, 516. In July 2021, the Board increased the number of shares of common stock reserved for issuance under the 2012 Plan to 737, 516. In August 2021, the Board increased the number of shares of common stock reserved for issuance under the 2012 Plan from 737, 516 shares to 799, 266 shares and approved the form of a 2022 Equity Incentive Plan. On January 10, 2022 and February 2, 2022, the Board and stockholders, respectively, of the Company approved the Tenon Medical, Inc. 2022 Equity Incentive Plan (the " 2022 Plan "), which was effective on April 25, 2022. The number of shares of common stock that may be subject to awards and sold under the 2022 Plan is equal to 1, 600, 000. Automatic annual increases in number of shares available for issuance under the 2022 Plan is equal to the least of (a) 1, 100, 000 shares, (b) 4 % of the total number of shares of all classes of common stock outstanding on the last day of the immediately preceding fiscal year, or (c) such number determined by the 2022 Plan administrator no later than the last day of the immediately preceding fiscal year. Annual increases will continue until the tenth anniversary of the earlier of the Board or stockholder approval of the 2022 Plan, which is January 10, 2032. Upon the effective date of the 2022 Plan, the Board terminated the 2012 Plan such that no new equity awards will be issued by the 2012 Plan. Option Exchange On April 8, 2024, the Company issued an offer to holders of outstanding stock options to purchase an aggregate of 11, 387 shares of the Company' s common stock to exchange their options for a lesser number of new restricted stock units (" RSUs ") to be granted under the 2022 Plan upon the terms and subject to the conditions set forth in the Offer to Exchange Certain Outstanding Stock Options for Restricted Stock Units (the " Offer to Exchange "). The Offer to Exchange expired on May 6, 2024. A total of 27 eligible participants participated in the exchange. The Company accepted for exchange options to purchase an aggregate of 10, 436 shares of common stock

of the Company. All surrendered options were cancelled effective as of the expiration of the Option Exchange, and immediately thereafter, in exchange therefor, the Company granted a total of 5, 226 new RSUs under the 2022 Plan. The incremental fair value of the new RSUs that were vested at the issuance date was $ 32 and was immediately expensed. Compensation expense for the years ended December 31, 2024 and 2023 includes the portion of awards vested in the periods for all equity- based awards granted, based on the grant date fair value as estimated using a Black- Scholes option valuation model. Grant date fair value for restricted stock units is estimated using the fair value of the Company' s common stock on the date of grant. Grant date fair value for stock options is estimated using a Black- Scholes option valuation model using the weighted- average assumptions in the table below: Years ended December 31, 2024 2023 Expected volatility 68. 37 % 63. 89 % Dividend yield 0 % 0 % Risk- free interest rate 4. 41 % 4. 28 % Expected term in years 5. 61 5. 85 F- 16 Estimates of fair value are not intended to predict actual future events or the value ultimately realized by employees who receive equity awards, and subsequent events are not indicative of the reasonableness of the original estimates of fair value made by the Company in accordance with authoritative guidance. A summary of the Company' s share option and restricted stock unit activity under its plans is as follows: Options RSUs Number of Options Weighted- Average Exercise Price per Share Weighted- Average Remaining Contractual Term (In Years) Number of RSUs Weighted Average Grant Date Fair Value per Share Balance as of December 31, 2022 11, 252 $ 379. 44 8. 10 16, 492 $ 634. 20 Granted 1, 882 $ 103. 25 938 $ 23. 28 Released — — (7, 637) $ 656. 51 Canceled (357) $ 319. 39 (156) $ 708. 80 Balance as of December 31, 2023 12, 777 $ 340. 44 7. 41 9, 637 $ 555. 85 Granted 10, 621 $ 5. 59 21, 309 $ 6. 67 Released — — (10, 072) $ 344. 54 Canceled (12, 076) $ 346. 20 (650) $ 22. 64 Balance as of December 31, 2024 11, 322 $ 20. 79 9. 32 20, 244 $ 99. 58 Exercisable at December 31, 2024 2, 733 $ 66. 44 8. 89 The weighted- average grant- date fair value of options granted during the years ended December 31, 2024 and 2023 was $ 3. 95 and $ 61. 00, respectively. The aggregate intrinsic value of outstanding options at December 31, 2024 was $ 0. The aggregate intrinsic value is equal to the difference between the exercise price of the underlying option and the fair value of the Company' s common stock for in- the- money options. As of December 31, 2024, total compensation cost not yet recognized related to unvested options was $ 29, which is expected to be recognized over a weighted- average period of 1. 57 years, and total compensation costs not yet recognized related to unvested RSUs was $ 1, 443, which is expected to be recognized over a weighted- average period of 0. 48 years. The following table sets forth stock- based compensation expense recognized for the years ended December 31, 2024 and 2023: Years ended December 31, 2024 2023 Research and development $ 1, 431 $ 1, 504 Sales and marketing 137 217 General, and administrative 2, 277 2, 424 Total stock- based compensation expense $ 3, 845 $ 4, 145 At December 31, 2024, there were 135, 971 shares available for issuance under the 2022 Plan. In April 2022, in association with the Company' s initial public offering, the Company granted to The Benchmark Company, LLC and Valuable Capital Limited warrants to purchase a total of 1, 200 shares of Common Stock. The warrants were immediately exercisable at an exercise price of $ 400. 00 per share and expire on the fifth anniversary of the commencement of sales under the IPO. The fair value of the warrants on the grant date was $ 220. 00 per warrant, which was calculated using a Black- Scholes option valuation model with an expected term of 5. 00 years, expected volatility of 62. 55 %, dividend yield of 0 %, and risk- free interest rate of 2. 92 %. The Company recorded the fair value of these warrants of $ 264 as an issuance cost to additional paid- in capital in 2022. F- 17 In June 2023, in connection with a registered offering of stock, the Company issued warrants to purchase a total of 250, 000 shares of Common Stock (the " Offering Warrants "). The Offering Warrants were exercisable upon issuance and will expire five years from the date of issuance. Per the terms of the Offering Warrants, the exercise price of the Offering Warrants reset on July 16, 2023, to $ 25. 168 per share. The fair value of the Offering Warrants on the grant date of $ 3, 164, or $ 12. 64 per warrant, was calculated using a Monte- Carlo simulation to estimate the final exercise price, which is considered a Level 3 fair value measurement, using as inputs; the starting value of $ 24. 00 per share, the Company' s VWAP on June 16; an assumed daily distribution of returns; a mean daily return of 5. 18 %; a short- term annual volatility of 100 % and a standard deviation of 6. 3 %. The model used Black- Scholes to then calculate the estimated fair value of the Offering Warrants, using an estimated time to maturity of 4. 9 years, a risk- free interest rate of 3. 99 % and a long- term volatility of 60 %. In November 2023, in connection with the issuance of the Convertible Notes, the Company issued warrants to purchase a total of 5, 625 shares of Common Stock at an exercise price equal to $ 15. 52 per share. The warrants expire five years from the issuance date. The fair value of the warrants on the grant date was $ 10. 32 per warrant, which was calculated using a Black- Scholes option valuation model with an expected term of 5. 00 years, expected volatility of 68. 89 %, dividend yield of 0 %, and risk- free interest rate of 4. 41 %. The Company recorded the fair value of these warrants of approximately $ 58 as an issuance cost to additional paid- in capital in 2023. On February 20, 2024, in connection with the issuance of Series A Preferred Stock, the Company issued the Series A Warrants to purchase a total of 51, 937 shares of Common Stock at an exercise price equal to $ 4. 28 per share. The Series A Warrants are immediately exercisable and expire five years from the date of issuance. The fair value of the Series A Warrants on the grant date was $ 4. 88 per warrant, which was calculated using a Black- Scholes option valuation model with an expected term of 5. 00 years, expected volatility of 68. 24 %, dividend yield of 0 %, and risk- free interest rate of 4. 3 %. The Company recorded the fair value of these warrants of $ 254 to additional paid- in capital in 2024. On September 5, 2024, in connection with the issuance of Series B Preferred Stock, the Company issued the Series B Warrants to purchase a total of 16, 214 shares of Common Stock at an exercise price equal to $ 4. 28 per share. The Series B Warrants are immediately exercisable and expire five years from the date of issuance. The fair value of the Series B Warrants on the grant date was $ 2. 25 per warrant, which was calculated using a Black- Scholes option valuation model with an expected term of 5. 00 years, expected volatility of 68. 40 %, dividend yield of 0 %, and risk- free interest rate of 3. 5 %. The Company recorded the fair value of these warrants of $ 37 to additional paid- in capital in 2024. On September 16, 2024, in connection with the

Warrant Inducement agreement, the Company issued Series A New Warrants to purchase a total of 1, 222, 850 shares of Common Stock at an exercise price of $ 4. 28 per share, which are exercisable for five years after issuance and Series B New Warrants to purchase a total of 1, 222, 850 shares of Common Stock at an exercise price of $ 4. 28 per share, which are exercisable for three years after issuance. The fair value of the Series A New Warrants on the grant date was $ 5. 49 per warrant, which was calculated using a Black- Scholes option valuation model with an expected term of 5. 00 years, expected volatility of 68. 40 %, dividend yield of 0 %, and risk- free interest rate of 3. 4 %. The fair value of the Series B New Warrants on the grant date was $ 4. 87 per warrant, which was calculated using a Black- Scholes option valuation model with an expected term of 3. 00 years, expected volatility of 68. 40 %, dividend yield of 0 %, and risk- free interest rate of 3. 4 %. The Company recorded the fair value of these warrants to additional paid- in capital in 2024. 9. Commitments and Contingencies Sales Representative Agreement In April 2020, the Company entered into an Exclusive Sales Representative Agreement, under which the counterparty to the agreement (the " Representative ") received exclusive rights to market, promote, and distribute The Catamaran System in the United States and Puerto Rico. The agreement is for an initial period of five years, and automatically renews for an additional five years unless written notice is given by either party prior to April 27, 2023. The agreement provides for a bonus to be paid to the Representative upon an acquisition or IPO. In May 2021, the Company entered into an Amended and Restated Exclusive Sales Representative Agreement (the " Restated Sales Agreement "). In connection with the amended agreement, the Company paid $ 500 cash and issued 53, 757 shares of common stock to the Representative, for which the Company recorded a combined total of $ 880 as sales and marketing expense. In addition, the Representative received anti- dilution protections to maintain ownership of 3. 0 % of the fully diluted equity of the Company through the date of an initial public offering. In October 2021, the Company issued 4, 445 shares of common stock with a fair value of approximately $ 333 to the Representative in accordance with the anti- dilution provision. In April 2022, the Company issued 31, 235 shares of common stock to the Representative in accordance with the anti- dilution provision, fully satisfying the Company' s obligations. The Restated Sales Agreement restructured the calculation of the bonus paid to the Representative upon an acquisition, removed the bonus payable upon an IPO, and allows the Company to terminate the Restated Sales Agreement as long as the bonus paid to the Representative is at least $ 6, 000. F- 18 On October 6, 2022, the Company entered into the Terminating Amended and Restated Exclusive Sales Representative Agreement (the " Termination Agreement ") with the Representative, which terminated the Restated Sales Agreement. In accordance with the Termination Agreement, (i) the Company paid the Representative $ 1, 000 in cash; and (ii) the Company agreed to pay the Representative (a) $ 85 per month during the six months after the date of the Termination Agreement in return for efforts by the Representative to transition operations to the Company, (b) 20 % of net sales of the product sold in the United States and Puerto Rico until December 31, 2023 and (c) after December 31, 2023, 10 % of net sales until such time as the aggregate amount paid to the Representative under this clause (c) and clause (b) above equal $ 3, 600. In the event of an acquisition of the Company, the Company will pay the Representative $ 3, 600 less previous amounts paid pursuant to clause (b) and clause (c) above. The Company recorded a charge of $ 1, 000 for the payment to the Representative in the fourth quarter of 2022 and expensed the $ 85 per month charges as incurred over the six- month period. For payments under clause (b) and clause (c) above, the Company estimated the fair value of the liability using level 3 hierarchy inputs based on a Monte Carlo simulation of future revenues with a 25 % quarterly estimated standard deviation of growth rates and a 10 % probability of dissolution, discounted at an estimated discount rate of 15. 4 %. Based on the Company' s fair value analysis, a total of $ 2, 611 was charged to sales and marketing expense in the 2022 consolidated statements of operations and comprehensive loss and recorded as accrued commissions in the consolidated balance sheets. A reconciliation of the liability under clause (b) and clause (c) for the year ended December 31, 2024 is as follows: 2024 Balance at January 1, 2024 $ 2, 377 Amounts paid during 2024 (324) Accretion 48 Balance at December 31, 2024 $ 2, 101 Per the terms of the Termination Agreement, the Company ultimately expects to expense $ 3, 600 under clause (b) and clause (c). Simultaneously with the execution of the Termination Agreement, the Company entered into a Consulting Agreement dated October 6, 2022, with the Representative (the " Consulting Agreement "). Under the terms and conditions of the Consulting Agreement, the Representative is tasked with organizing, recruiting, training, and coordinating the Company' s Clinical Specialist program, Physician Education program and Sales Education program as more specifically described in the Consulting Agreement. The term of the Consulting Agreement was from October 6, 2022, until October 5, 2023, when it terminated in accordance with the terms of the Consulting Agreement. In consideration for the services to be provided, the Company paid the Representative a base consulting fee of $ 700 per year, payable in monthly instalments, along with additional compensation of $ 62. 5 per quarter, if certain sales targets were met, for four quarters; along with any travel and related out- of- pocket expenses incurred by the Representative in connection with the performance of the services. In the normal course of business, the Company may possibly be named as a defendant in various lawsuits. 10. Concentrations of Risk Credit risk Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company maintains cash balances at financial institutions located in California and Switzerland. Accounts at the U. S. financial institutions are secured by the Federal Deposit Insurance Corporation. At times, balances may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes that the Company is not exposed to any significant credit risk with respect to its cash and cash equivalents. The Company grants unsecured credit to its customers based on an evaluation of the customer' s financial condition and a cash deposit is generally not required. Management believes its credit policies do not result in significant adverse risk and historically has not experienced significant credit- related losses. Currency risk The Company' s subsidiary, Tenon Technology AG, realizes a portion of its expenses in Swiss francs. Consequently, certain assets and liabilities are exposed to foreign currency fluctuations. At

December 31, 2024 and 2023, approximately $ 0 and $ 741, respectively, of the Company' s net monetary assets were denominated in Swiss francs. The Company has not entered into any hedging transactions to reduce the exposure to currency risk. F- 19 11. Income Taxes The components of loss before income taxes are as follows: Years ended December 31, 2024 2023 United States $ (13, 673) $ (15, 570) International — (11) Loss before income taxes $ (13, 673) $ (15, 581) The components of current income tax expense are as follows: Years ended December 31, 2024 2023 Federal $ — $ — State — — Foreign — — Total income tax expense $ — $ — A reconciliation of the expected tax computed at the U. S. statutory federal income tax rate to the total provision for income taxes for the years ended December 31, 2024 and 2023 is as follows: Years ended December 31, 2024 2023 Statutory rate (21) % (21) % State taxes, net of federal benefit (5) % (7) % Non- deductible differences 4 % 3 % Change in valuation allowance 22 % 25 % Provision for taxes — — Significant components of the Company' s net deferred tax assets at December 31, 2024 and 2023 are as follows: Years ended December 31, 2024 2023 Deferred tax assets: Net operating loss carryforwards $ 10, 803 $ 9, 504 Credit carryforwards 193 220 Property and equipment 114 52 Accruals and reserves 689 111 Stock- based compensation 1, 274 1, 802 Intangibles 124 220 Operating lease liability 114 188 Capitalized research and development 645 514 Total deferred tax assets 13, 956 12, 611 Valuation allowance (13, 848) (12, 433) Net deferred tax assets 108 178 Deferred tax liabilities: Unrecognized tax benefits (2) — Operating lease right of use (106) (178) Total deferred tax liabilities (108) (178) Net deferred tax assets $ — — F- 20 In assessing the realizability of deferred tax assets at December 31, 2024, management considered whether it is more likely than not that some portion or all of the deferred tax assets will be realized, and determined that a valuation allowance was required for those deferred tax assets that are not expected to provide future tax benefits. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. At December 31, 2024, the Company has available net operating loss carryforwards of approximately $ 41, 551 for federal income tax purposes, of which approximately $ 41, 239 was generated after 2017 and can be carried forward indefinitely under the Tax Cuts and Jobs Act. The remaining federal net operating loss of approximately $ 222, which was generated prior to 2018, will start to expire in 2034 if not utilized. At December 31, 2024, the net operating loss carryforwards for state purposes are approximately $ 27, 347 and will begin to expire in 2032 if not utilized. In addition, the Company had foreign net operating loss carryforwards of approximately $ 1, 378 at December 31, 2024 that will start to expire in 2025 if not utilized. The Company had credit carryforwards of approximately $ 100 for federal income tax purposes. The federal tax credits will begin to expire in 2041. The Company also had credit carryforwards of approximately $ 30 for California income tax purposes. These credits have no expiration. The Company has not completed a study to determine whether any ownership change per the provisions of Section 382 of the Internal Revenue Code of 1986, as amended, as well as similar state provisions, has occurred; however, it believes that, given the equity transactions undertaken, such a change has most likely occurred. In general, an " ownership change " as defined by Section 382 of the Code results from a transaction or series of transactions over a three- year period resulting in an ownership change of more than 50 percentage points of the outstanding stock of a company by certain stockholders. Utilization of the Company' s net operating loss and income tax credit carryforwards may be subject to a substantial annual limitation due to ownership changes that may have occurred or that could occur in the future. These ownership changes may limit the amount of the net operating loss and income tax credit carryover that can be utilized annually to offset future taxable income. Uncertain tax positions In accordance with authoritative guidance, the impact of an uncertain income tax position on the income tax return must be recognized at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50 % likelihood of being sustained. The following shows the changes in the gross amount of recognized tax benefits: Years ended December 31, 2024 2023 Unrecognized tax benefits, beginning of year $ 79 $ 38 Increases related to prior year tax positions — 5 Decreases related to prior year tax positions (35) — Increases related to current year tax positions — 36 Unrecognized tax benefits, end of year $ 44 $ 79 The Company recognizes interest and penalties related to unrecognized tax positions within the income tax expense line in the accompanying consolidated statements of operations and comprehensive loss. The Company does not anticipate that its total unrecognized tax benefits will significantly change due to settlement of examination or the expiration of statute of limitations during the next 12 months. Due to the full valuation allowance at December 31, 2024, current adjustments to the unrecognized tax benefit will have no impact on our effective income tax rate. The Company currently has no federal or state tax examinations in progress nor has it had any federal or state tax examinations since its inception. As a result of the Company' s net operating loss and credit carryforwards, all of its years are subject to federal and state examination. F- 21 12. Reportable Segment The Company operates in one business segment, the SI Joint segment. The SI Joint segment derives revenue from the sale of the Catamaran System for treatment of the most common types of SI Joint disorders that cause lower back pain, which is the Company' s only product. The accounting policies of the SI Joint segment are the same as those described in the summary of significant accounting principles in Note 2. The chief operating decision maker, which is the Company' s senior executive committee that includes the chief executive officer, the chief financial officer and the chief technology officer, assesses the performance of the SI Joint segment and decides how to allocate resources based on net income which is reported in the consolidated statements of operations as net loss. The measure of segment assests is reported on the balance sheet as total assets. The chief operating decision maker uses net loss to evaluate income generated from segment assets in deciding whether to continue investing in the segment. Net loss is used to monitor budget versus actual results, to prepare operating budgets, and to assess the performance of the segment and in establishing management compensation. The Company does not have intra- entity sales or transfers. The following table presents selected financial information for the Company' s single business segment for the year ended December 31, 2024: Year ended December

31, 2024 Revenue $ 3, 277 Less: Cost of sales 1, 566 Sales and marketing 5, 109 Research and development 2, 603 General and administrative 7, 765 Other expenses, net 93 Net loss $ (13, 673) 13. Subsequent Events On March 11, 2025, the Company entered into a warrant exercise inducement offer letter agreement (the " Inducement Letter ") with the holder (the " Holder ") of the Series A New Warrants and Series B New Warrants (the " Existing Warrants "), pursuant to which, the Holder agreed to exercise the Existing Warrants at a reduced exercise price of $ 1. 25 per share in consideration for the Company' s agreement to issue (i) new unregistered five- year warrants (the " Series C- 1 Warrants ") to purchase up to an aggregate of 2, 445, 700 shares of common stock at an exercise price of $ 1. 25 per share and (ii) new unregistered three- year warrants (the " Series C- 2 Warrants, " and together with the Series C- 1 Warrants, the " New Warrants ") to purchase up to an aggregate of 1, 222, 850 shares of common stock at an exercise price of $ 1. 25 per share (the " Inducement Transaction "). The New Warrants are not exercisable without approval by the Company' s stockholders (" Stockholder Approval "), which, pursuant to the Inducement Letter, the Company is required to obtain at a meeting of stockholders no later than 165 days after the consummation of the Inducement Transaction. The Series C- 1 Warrants will be exercisable five years from the date on which Stockholder Approval is obtained, and the Series C- 2 Warrants will be exercisable three years from the date on which Stockholder Approval is obtained. Pursuant to the Inducement Transaction, the Company received proceeds, net of financial advisor fees and other transaction expenses, of $ 2, 727. The Company has agreed to file a registration statement on Form S- 3 (or other appropriate form, including on Form S- 1, if it is not eligible to utilize Form S- 3) providing for the resale of the shares of common stock issuable upon the exercise of the New Warrants within 30 calendar days following the date of the Inducement Letter. The Company has also agreed not to issue, enter into any agreement to issue or announce the issuance or proposed issuance of any common stock or common stock equivalents or file any registration statement or any amendment or supplement to any existing registration statement, subject to certain exceptions, for a period of 60 calendar days after the effectiveness of the Resale Registration Statement. Furthermore, the Company is also prohibited from entering into any agreement to issue common stock or common stock equivalents involving a variable rate transaction (as defined in the Inducement Letter), subject to certain exceptions, for a six- month period commencing on March 12, 2025. On March 25, 2025, the Company entered into a securities purchase agreement for the issuance of 733, 500 shares of its common stock (or common stock equivalents in lieu thereof) in a registered direct offering at a purchase price of $ 2. 00 per share. In a concurrent private placement, the Company also agreed to issue to the same investor warrants to purchase up to 733, 500 shares of its common stock at an exercise price of $ 2. 00 per share, which will be exercisable immediately, and will expire five years following the date of issuance. Pursuant to the agreements, the Company received proceeds, net of financial advisor fees and other transaction expenses, of $ 1, 234. Also on March 25, 2025, the Company entered into a securities purchase agreement for the issuance of 1, 271, 500 shares of its common stock (or common stock equivalents in lieu thereof) in a registered direct offering at a purchase price of $ 2. 00 per share. In a concurrent private placement, the Company also agreed to issue to the same investor warrants to purchase up to 1, 271, 500 shares of its common stock at an exercise price of $ 2. 00 per share, which will be exercisable immediately, and will expire five years following the date of issuance. Pursuant to the agreements, the Company received proceeds, net of financial advisor fees and other transaction expenses, of $ 2, 290. F- 22 Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures Item 9A. Controls and Procedures Evaluation of Disclosure Controls and Procedures Disclosure controls and procedures are the controls and other procedures that are designed to provide reasonable assurance that information required to be disclosed by the issuer in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the " Exchange Act ") is recorded, processed, summarized and reported within the time periods specified in the SEC' s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer' s management, including the principal executive and principal financial officer, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. We have carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a- 15 (e) and 15d- 15 (e) of the Exchange Act as of December 31, 2024. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have identified a material weakness in our disclosure controls and procedures due to lack of segregation of duties and have therefore concluded that our disclosure controls and procedures are not effective at the reasonable assurance level. A material weakness is a deficiency, or combination of deficiencies, in our internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our consolidated financial statements would not be prevented or detected on a timely basis. Our size has prevented us from being able to employ sufficient resources to enable us to have an adequate level of supervision and segregation of duties. Therefore, it is difficult to effectively segregate accounting duties which comprises a material weakness in internal controls. This lack of segregation of duties leads management to conclude that the Company' s disclosure controls and procedures are not effective to give reasonable assurance that the information required to be disclosed in reports that the Company files under the Exchange Act is recorded, processed, summarized and reported as and when required. To the extent reasonably possible given our limited resources, we intend to take measures to cure the aforementioned weaknesses, including, but not limited to, increasing the capacity of our qualified financial personnel to ensure that accounting policies and procedures are consistent across the organization and that we have adequate controls over our Exchange Act reporting disclosures. Management' s Report on Internal Controls over Financial Reporting Management is responsible for establishing and

maintaining adequate internal control over financial reporting as defined in Rules 13a- 15 (f) and 15d- 15 (f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Management utilized the criteria established in the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) to conduct an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2024. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have identified a material weakness due to lack of segregation of duties and have therefore concluded that our internal controls over financial reporting are not effective at the reasonable assurance level. A material weakness is a deficiency, or combination of deficiencies, in our internal controls over financial reporting such that there is a reasonable possibility that a material misstatement of our consolidated financial statements would not be prevented or detected on a timely basis. Our size has prevented us from being able to employ sufficient resources to enable us to have an adequate level of supervision and segregation of duties. Therefore, it is difficult to effectively segregate accounting duties which comprises a material weakness in internal controls. To the extent reasonably possible given our limited resources, we intend to take measures to cure the aforementioned weaknesses, including, but not limited to, increasing the capacity of our qualified financial personnel to ensure that accounting policies and procedures are consistent across the organization and that we have adequate controls over our Exchange Act reporting disclosures. As an emerging growth company, management' s assessment of internal control over financial reporting was not subject to attestation by our independent registered public accounting firm. Changes in Internal Controls over Financial Reporting There were no changes in our internal control over financial reporting during the three months ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Item 9B. Other Information Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections. PART III Item 10. Directors, Executive Officers and Corporate Governance The following are our executive officers and directors and their respective ages and positions as of March 26, 2025. Name Age Position Steven M. Foster Chief Executive Officer and President, Director Richard Ginn Chief Technology Officer and Director Kevin Williamson Chief Financial Officer Richard Ferrari Executive Chairman of the Board Ivan Howard Director Kristine M. Jacques Director Robert K. Weigle Director Stephen H. Hochschuler, M. D. DirectorSteven M. Foster is our Chief Executive Officer and President, and is also a director of the Company. Mr. Foster has over 30 years of marketing, sales, operations and general management experience. From 2015 to present Mr. Foster has been a principal with CTB Advisors, LLC in Brentwood, Tennessee. CTB Advisors was founded as a single member limited liability company for the purpose of providing medical device organizations and physicians with consultative assistance on commercialization focused projects. Projects included: CRM based clinician engagement program design, training and implementation for NuVasive (NUVA). Valuation assessment / business plan development of early- stage spine technology including IP assessment and regulatory pathway definition. M & A (SafeOp Surgical) integration project, Alphatec Spine (ATEC). Current Status: Exclusive to ATEC. From 2012 to 2014 Mr. Foster was Global Commercialization President of Safe Orthopedics SAS, Paris, FR (based in Michigan): There Mr Foster worked on early- stage commercialization of a novel single- use / sterile / traceable surgical kit for lumbar spine fusion. His focus included pre- clinical design, clinician advisor team development, early marketing, web design, convention presence and P & L preparation and management. Technology reached 200 global surgeries in first 12 months of commercialization. From 1992 to 2012 Mr. Foster was part of the Danek Group Inc., Sofamor Danek, Medtronic Spine organization where he held a variety of marketing, sales administration and general management roles, including as VP / GM of Medtronic Spine' s Western Europe operations from 2007- 2010. Mr. Foster received a Bachelor of Science, Business Administration with a concentration in Marketing and Management from Central Michigan University in 1990. Richard Ginn is a founder, the Chief Technology Officer and a director of the Company. Mr. Ginn' s focus is primarily on intellectual property and product development, he has travelled throughout the world to train physicians and participated in multiple FIH trials and is a named inventor on more than 300 patents for medical devices. Over the course of his career, he has helped raise more than $ 100 million in venture capital and has provided an average 10x return to his investors. Mr. Ginn is the founder of TransAortic Medical, an embolic protection device company, and is its President, CEO and a director from 2013 to present. At TransAortic, Mr. Ginn Managed all corporate operations, raised capital to support company needs; managed acquisition of technology by strategic partner; managed all Intellectual Property; and set up European distribution for CE Marked device. Mr. Ginn is the founder of Promed, a large hole femoral closure device company and was the CEO, President and a director from 2012 to 2019. At Promed he managed all corporate operations; raised capital to support company needs; and managed all intellectual property. Kevin Williamson is our Chief Financial Officer. Mr. Williamson has been the Chief Financial Officer since September 3, 2024. Kevin Williamson most recently served as the Chief Financial Officer at Accelus Inc., a Florida-based medical device company focused on expandable spinal implant technology. In this role, from 2020 to 2024, Mr. Williamson was responsible for the Finance organization, Investor Relations and information technology functions. Prior to this role, Mr. Williamson served as the Director of Finance at Accelus Inc. from 2019 to 2020, where he was responsible for Financial Planning and Analysis. From 2015 to 2019 Mr. Williamson held various roles of increasing responsibility in the Corporate Finance department at NuVasive, Inc., a California- based medical device company focused on minimally invasive spine surgery. Mr. Williamson holds a B. S. in Business Administration, Finance from San

Diego State University and an M. B. A. from the University of San Diego- Knauss School of Business. Richard Ferrari is a founder, a director and Executive Chairman of the Company. Since 2000, Mr. Ferrari has been and currently is a Managing Director of Denovo Ventures, a $ 650 million venture firm specializing in Medical Devices and Biotechnology. From January 2019 until April 2021 Mr. Ferrari was employed as CEO and Chairman of the Board of Directors of PQ Bypass which culminated is a successful acquisition by Endologix. During the last five years Mr. Ferrari has been and currently is a board member (Executive Chairman) of Medlumics, S. L., a medical device company founded in 2011; a board member (Vice Chairman) of ABS Interventional; a board member (Executive Chairman) of Heart Beam Inc.; a board member of Biomodex Corporation; a board member of Retriever Medical Inc.; a board member of RMx Medical; a board member of Hawthorne Effect, Inc.; a board member and co- founder of TransAortic acquired by Medtronic; Executive Chairman of Sentreheart acquired by Atricure, a board member of Spinal Modualtion sold to St Jude and a board member of Hands of Hope. Mr. Ferrari has raised over $ 1 billion for the companies he has been involved with and been a key member of the various boards M & A teams achieving over $ 2 billion in Acquisitions. Mr. Ferrari continues to mentor and advise a number of CEO' s and start- up companies on strategy and building organizations dedicated to delivering excellence. Mr. Ferrari is the creator of Excellence by Choice a series of lectures and presentations to help early- stage companies perform at the highest level of execution. Mr. Ferrari received a Bachelor' s Degree in Education from Ashland University and a MBA from University of South Florida. Ivan Howard is a director of the Company. Mr. Howard has been since 2019 and currently is a Vice President and Sr. Specialist in Alternative Investment Fiduciary Risk for Banco Santander, a multinational financial services company. From 2020, Mr. Howard has been and currently serves as Director on the Collier County Farm Bureau board of directors. From 2016, Mr. Howard has been and currently serves as Chairman of the Hendry / Glades County Farm Service Agency. From 2020, Mr. Howard has been and currently serves on the U. S. Department of Agriculture Advisory Committee on Minority Farmers. From 2018 Mr. Howard has been and is currently a member of the University of Florida College of Biomedical Engineering External Advisory board. Mr. Howard holds an MBA from Mercer University and a Master' s Degree in Biomedical Engineering from the University of Florida. We believe that Mr. Howard is well qualified to serve as a Director on our Board with his financial services and board membership experience. Kristine M. Jacques was appointed as a director of the Company on March 25, 2024. From 2017 until 2023, Ms. Jacques was Vice President and General Manager, Interventional Pain Therapies at Vivex Biologics, Inc., a medical device company where she implemented a comprehensive strategic plan of a disruptive technology in the interventional spine market serving a significant unmet clinical need and potential $ 38 billion plus total addressable market, non- surgical treatment for chronic low back pain. From 2007 to 2017, Ms. Jacques was a Vice President at Alphatec Spine, Inc (Nasdaq: ATEC), a medical device company where she led the development and execution of a 3- year portfolio strategy to grow market share through identifying opportunities for innovation, maximizing product positioning and differentiation and delivering high quality products to meet the clinical and unmet needs of surgeons and their patients. From 1995 until 2007, Ms. Jacques served in various management positions at General Electric Corporation, prior to which she served from 1991 until 1994 at various management positions at Smith & Nephew, PLC, both of which are publicly traded. Previously, she was an Account Manager, Senior Investment Analyst for General Electric Capital Corporation from 1988 until 1991. Ms. Jacques received a Bachelor of Arts degree in Finance Administration from Michigan State University. We believe that Ms. Jacques is well qualified to serve as a Director on our Board with her experience as a senior executive in the spine and medical device industries. Robert K. Weigle is a director of the Company. He currently is and has been since October 2020, the CEO of Prime Genomics, a saliva- based diagnostics company utilizing Genomics. Mr. Weigle is also currently an executive in residence with DigitalDX, a venture capital firm. Mr. Weigle was CEO and a director of Benvenue Medical from May 2009 until August 2020. Benvenue was a Silicon Valley based medical device company, which raised over $ 200 million in funding. At Benvenue Mr. Weigle led growth from pre- clinical to successful clinical trials to commercial launch of first- generation devices in two distinct markets, one for the treatment of compression fractures in the spine and the second for the treatment of degenerative disc disease, resulting in a first full- year run rate exceeding $ 1 million per month. Mr. Weigle oversaw all early aspects of corporate strategy, including defining, communicating and executing the company' s overall business model; and represented Benvenue to the investment community. Mr. Weigle was also a senior executive at numerous healthcare / medical device companies, including TherOx, Inc, Cardiac Pathways, Baxter Healthcare and Cardima Corporation. Mr. Weigle also has relevant experience at Johnson & Johnson. Mr. Weigle holds a BA in Political Science from University of California, Berkeley. We believe that Mr. Weigle is well qualified to serve as a Director on our Board with his experience in leading medical device companies both as a senior executive and as a member of the board of directors. Stephen H. Hochschuler, M. D. is a director of the Company. Dr. Hochschuler is a world- renowned orthopedic spine surgeon. Dr. Hochschuler is the co- founder of the Texas Back Institute and founder of Back Systems, Inc., and founding Chairman of Innovative Spinal Technologies, Dr. Hochschuler has severed on numerous boards of directors and advisory boards for medical and scientific institutions. Dr. Hochschuler is a member of numerous national and international professional organizations including the American Academy of Orthopedic Surgeons; the American Pain Society; North American Spine Society; and the Southwest Chapter of the Society of International Business Fellows. Internationally, he is a member of the International Intradiscal Therapy Society; the International Society for Minimal Intervention in Spinal Surgery; the International Society for the Study of the Lumbar Spine; and is a founding board member of the Spinal Arthroplasty Society. He has also been a founding board member of The American Board of Spine Surgery and The American College of Spine Surgery. He is published in a wide range of professional journals and has delivered numerous presentations worldwide. Dr. Hochschuler holds a BA from Columbia College and his medical degree from Harvard Medical School. We believe that Dr. Hochschuler is well

qualified to serve as a Director on our Board with his experience as an orthopedic spine surgeon and his service on boards of directors and advisory boards of medical and scientific institutions as a member of the board of directors. Board Composition Our business and affairs are managed under the direction of our Board. Our Board currently consists of seven members, four of whom qualify as " independent " under the listing standards of Nasdaq. Directors serve until the next annual meeting and until their successors are elected and qualified. Officers are appointed to serve for one year until the meeting of the Board following the annual meeting of shareholders and until their successors have been elected and qualified. Director Independence Our Board is composed of a majority of " independent directors " as defined under the rules of Nasdaq. We use the definition of " independence " applied by Nasdaq to make this determination. Nasdaq Listing Rule 5605 (a) (2) provides that an " independent director " is a person other than an officer or employee of the company or any other individual having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Nasdaq listing rules provide that a director cannot be considered independent if: ● the director is, or at any time during the past three years was, an employee of the company; ● the director or a family member of the director accepted any compensation from the company in excess of $ 120, 000 during any period of 12 consecutive months within the 3 years preceding the independence determination (subject to certain exemptions, including, among other things, compensation for board or board committee service); ● the director or a family member of the director is a partner in, controlling shareholder of, or an executive officer of an entity to which the company made, or from which the company received, payments in the current or any of the past three fiscal years that exceed 5 % of the recipient' s consolidated gross revenue for that year or $ 200, 000, whichever is greater (subject to certain exemptions); ● the director or a family member of the director is employed as an executive officer of an entity where, at any time during the past three years, any of the executive officers of the company served on the compensation committee of such other entity; or ● the director or a family member of the director is a current partner of the Company' s outside auditor, or at any time during the past three years was a partner or employee of the Company' s outside auditor, and who worked on the company' s audit. Under such definitions, our Board has undertaken a review of the independence of each director. Based on the information provided by each director concerning his or her background, employment, and affiliations, our Board has determined that Ivan Howard, Kristine M. Jacques, Robert K. Weigle and Stephen H. Hochschuler, M. D. are independent directors of the Company. Board Committees The Board has established three standing committees: (i) Audit Committee; (ii) Compensation Committee; and (iii) Nominating and Corporate Governance Committee. Each of the committees operates pursuant to its charter. The committee charters will be reviewed annually by the Nominating and Corporate Governance Committee. If appropriate, and in consultation with the chairs of the other committees, the Nominating and Corporate Governance Committee may propose revisions to the charters. The responsibilities of each committee are described in more detail below. Audit Committee. The Audit Committee consists of three directors, Ivan Howard, Kristine Jacques and Robert Weigle, all of which are currently " independent " as defined by Nasdaq and includes an audit committee financial expert, Mr. Howard, within the meaning of Item 407 (d) of Regulation S- K under the Securities Act of 1933, as amended, or the Securities Act. The audit committee' s duties are specified in a charter and include, but not be limited to: ● reviewing and discussing with management and the independent auditor the annual audited financial statements, and recommending to the board whether the audited financial statements should be included in our annual disclosure report; ● discussing with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of our financial statements; ● discussing with management major risk assessment and risk management policies; ● monitoring the independence of the independent auditor; ● verifying the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law; ● reviewing and approving all related- party transactions; ● inquiring and discussing with management our compliance with applicable laws and regulations; ● pre- approving all audit services and permitted non- audit services to be performed by our independent auditor, including the fees and terms of the services to be performed; ● appointing or replacing the independent auditor; ● determining the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work; ● establishing procedures for the receipt, retention and treatment of complaints received by us regarding accounting, internal accounting controls or reports which raise material issues regarding our financial statements or accounting policies; and ● approving reimbursement of expenses incurred by our management team in identifying potential target businesses. The Audit Committee is composed exclusively of " independent directors " who are " financially literate " as defined under the Nasdaq listing standards. The Nasdaq listing standards define " financially literate " as being able to read and understand fundamental financial statements, including a company' s balance sheet, income statement and cash flow statement. Compensation Committee. The Compensation Committee consists of two directors, Kristine Jacques and Robert Weigle, both of which are " independent " as defined by Nasdaq. The Compensation Committee' s duties are specified in a charter and include, but not be limited to: ● reviews, approves and determines, or makes recommendations to our Board regarding, the compensation of our executive officers; ● administers our equity compensation plans; ● reviews and approves, or makes recommendations to our Board regarding incentive compensation and equity compensation plans; and ● establishes and reviews general policies relating to compensation and benefits of our employees. Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee consists of two directors, Robert Weigle and Stephen Hochschuler, both of which are " independent " as defined by Nasdaq. The nominating and corporate governance committee' s duties are specified in a charter and include, but not be limited to: ● identifying, reviewing and

evaluating candidates to serve on our Board consistent with criteria approved by our board of directors; ● evaluating director performance on our board of directors and applicable committees of our Board and determining whether continued service on our Board is appropriate ● evaluating nominations by stockholders of candidates for election to our Board; and ● corporate governance mattersRole of Board in Risk Oversight Process Our Board has responsibility for the oversight of our risk management processes and, either as a whole or through its committees, regularly discusses with management our major risk exposures, their potential impact on our business and the steps we take to manage them. The risk oversight process includes receiving regular reports from board committees and members of senior management to enable our Board to understand our risk identification, risk management, and risk mitigation strategies with respect to areas of potential material risk, including operations, finance, legal, regulatory, cybersecurity, strategic, and reputational risk. Code of Ethics Our Board adopted a written code of business conduct and ethics (" Code ") that applies to our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. Our website has a current copy of the Code and all disclosures that are required by law in regard to any amendments to, or waivers from, any provision of the Code. Clawback Policy On November 28, 2023, our Board adopted an executive compensation recoupment policy consistent with the requirements of the Exchange Act Rule 10D- 1 and the Nasdaq listing standards thereunder, to help ensure that incentive compensation is paid based on accurate financial and operating data, and the correct calculation of performance against incentive targets. Our policy addresses recoupment of amounts from performance- based awards paid to all corporate officers, including awards under our equity incentive plans, in the event of a financial restatement to the extent that the payout for such awards would have been less, or in the event of fraud, or intentional, willful or gross misconduct that contributed to the need for a financial restatement. Insider Trading Policy On May 12, 2022, we adopted an insider trading policy governing the purchase, sale, and / or other dispositions of our securities by our directors, officers, and employees, to promote compliance with insider trading laws, rules and regulations, and Nasdaq listing standards applicable to us. Our insider trading policy is filed as Exhibit 19. 1 to this Annual Report on Form 10- K. Delinquent Section 16 (a) Reports Section 16 (a) of the Securities Exchange Act of 1934, as amended, requires our directors, executive officers and persons who own more than 10 % of our outstanding shares of common stock (" Ten Percent Holders ") to file with the SEC reports of their share ownership and changes in their share ownership of our common stock. Directors, executive officers and Ten Percent Holders are also required to furnish us with copies of all ownership reports they file with the SEC. To our knowledge, based solely on a review of the copies of such reports furnished to us, no directors, executive officers or Ten Percent Holders did not comply with all Section 16 (a) filing requirements as of March 26, 2025. Policies and Practices for Granting Certain Equity Awards Our policies and practices regarding the granting of equity awards are carefully designed to ensure compliance with applicable securities laws and to maintain the integrity of our executive compensation program. The Compensation Committee is responsible for the timing and terms of equity awards to executives and other eligible employees. The timing of equity award grants is determined with consideration to a variety of factors, including but not limited to, the achievement of pre- established performance targets, market conditions and internal milestones. The Company does not follow a predetermined schedule for the granting of equity awards; instead, each grant is considered on a case- by- case basis to align with the Company' s strategic objectives and to ensure the competitiveness of our compensation packages. In determining the timing and terms of an equity award, the Board or the Compensation Committee may consider material nonpublic information to ensure that such grants are made in compliance with applicable laws and regulations. The Board' s or the Compensation Committee' s procedures to prevent the improper use of material nonpublic information in connection with the granting of equity awards include oversight by legal counsel and, where appropriate, delaying the grant of equity awards until the public disclosure of such material nonpublic information. The Company is committed to maintaining transparency in its executive compensation practices and to making equity awards in a manner that is not influenced by the timing of the disclosure of material nonpublic information for the purpose of affecting the value of executive compensation. The Company regularly reviews its policies and practices related to equity awards to ensure they meet the evolving standards of corporate governance and continue to serve the best interests of the Company and its shareholders. Family Relationships There are no family relationships among any of our executive officers or directors. Involvement in Certain Legal Proceedings To our knowledge, none of our current directors or executive officers has, during the past ten years: ● been convicted in a criminal proceeding or been subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); ● had any bankruptcy petition filed by or against the business or property of the person, or of any partnership, corporation or business association of which he was a general partner or executive officer, either at the time of the bankruptcy filing or within two years prior to that time; ● been subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction or federal or state authority, permanently or temporarily enjoining, barring, suspending or otherwise limiting, his involvement in any type of business, securities, futures, commodities, investment, banking, savings and loan, or insurance activities, or to be associated with persons engaged in any such activity; ● been found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated; ● been the subject of, or a party to, any federal or state judicial or administrative order, judgment, decree, or finding, not subsequently reversed, suspended or vacated (not including any settlement of a civil proceeding among private litigants), relating to an alleged violation of any federal or state securities or commodities law or regulation, any law or regulation respecting financial institutions or insurance companies including, but not limited to, a temporary or permanent injunction, order of disgorgement or restitution, civil money penalty or temporary or permanent cease- and- desist

order, or removal or prohibition order, or any law or regulation prohibiting mail or wire fraud or fraud in connection with any business entity; or ● been the subject of, or a party to, any sanction or order, not subsequently reversed, suspended or vacated, of any self- regulatory organization (as defined in Section 3 (a) (26) of the Exchange Act), any registered entity (as defined in Section 1 (a) (29) of the Commodity Exchange Act), or any equivalent exchange, association, entity or organization that has disciplinary authority over its members or persons associated with a member. Item 11. Executive Compensation The following summary compensation table provides information regarding the compensation paid during our fiscal years ended December 31, 2024 and 2023 to our Chief Executive Officer (principal executive officer), our current and former Chief Financial Officers and Chief Technology Officer. We refer to these individuals as our " named executive officers. " Summary Compensation TableName and Principal Position (Salary $) ($) Bonus Option / RSU Awards (1) ($) Total ($) Steven M. Foster, Chief Executive Officer 2024 $ 363, 784 $ — $ 4, 737 $ 368, 521 2023 $ 400, 000 $ 87, 600 $ — $ 487, 600 Kevin Williamson, Chief Financial Officer (2) 2024 $ 102, 127 $ — $ 21, 815 $ 123, 942 Steven Van Dick, former Chief Financial Officer (3) 2024 $ 318, 128 $ — $ 3, 842 $ 321, 970 2023 $ 325, 000 $ 60, 225 $ — $ 385, 225 Richard Ginn, Chief Technology Officer 2024 $ 282, 716 $ — $ 2, 617 $ 285, 333 2023 $ 290, 000 $ 60, 225 $ — $ 350, 225 (1) In 2024, in accordance with the Offer to Exchange Certain Outstanding Stock Options for Restricted Stock Units offered to all employees, Mr. Foster, Mr. Van Dick and Mr. Ginn exchanged existing stock options for restricted stock units (" RSUs "). No options or RSUs were granted to the named executives in 2023. (2) Mr. Williamson was appointed Chief Financial Officer beginning on September 3, 2024. (3Mr. Van Dick retired and resigned from his position as Chief Financial Officer effective July 31, 2024. Employment Agreements We have executed the following employment agreements with our executive officers. The material terms of each of those arrangements are summarized below. The summaries are not a complete description of all provisions of the employment arrangements and are qualified in their entirety by reference to the written employment arrangements, each filed as an exhibit to this annual report on form 10- K. Foster Employment Agreement. Steven M. Foster, our Chief Executive Officer and President and a member of our Board, and the Company entered into an Employment Agreement dated as of June 1, 2021 (the " Foster Employment Agreement "). The Foster Employment Agreement provides Mr. Foster an annual base salary of $ 300, 000, an annual bonus of up to $ 120, 000 based upon achievement of mutually agreed upon milestones, options to purchase shares of our common stock in an amount sufficient to maintain Mr. Foster' s equity ownership at 4 %, which were granted at the closing of our initial public offering and employee benefits that are generally given to our senior executives. Under the Foster Employment Agreement, in the event that Mr. Foster' s employment is terminated by us without cause (as described in the Foster Employment Agreement) or by Mr. Foster for good reason (as described in the Foster Employment Agreement), Mr. Foster would be entitled to (1) severance equal to his base salary at termination, payable in instalments over the 12- month period following termination and (2) payments in respect of continuing health care coverage for up to twelve months following termination. In addition, upon a change in control of the Company, Mr. Foster would be entitled to (1) vesting of his options granted prior to the date of the Foster Employment Agreement and (2) a lump sum cash payment of one year of his base salary and bonus opportunity then in effect. If Mr. Foster is terminated for cause or because of death or disability or resigns without good reason, then all vesting of Mr. Foster' s equity awards and payments of compensation will immediately terminate and any severance benefits will be paid in accordance with established policies, if any, then in effect. The Foster Employment Agreement contains restrictive covenants and other obligations relating to non- solicitation of our employees, non- disclosure of our proprietary information and assignment of inventions. Ginn Employment Agreement. Richard Ginn, our founder, Chief Technology Officer and a director of the Company, and the Company entered into an Employment Agreement dated as of June 1, 2021 (the " Ginn Employment Agreement "). The Ginn Employment Agreement provides Mr. Ginn an annual base salary of $ 275, 000, an annual bonus of up to 30 % of base salary based upon achievement of mutually agreed upon milestones, a second bonus of up to $ 200, 000 based on certain milestones determined by our Board and employee benefits that are generally given to our senior executives. Under the Ginn Employment Agreement, in the event that Mr. Ginn' s employment is terminated by us without cause (as described in the Ginn Employment Agreement) or by Mr. Ginn for good reason (as described in the Foster Employment Agreement), Mr. Ginn would be entitled to (1) severance equal to his base salary at termination, payable in instalments over the 12- month period following termination and (2) payments in respect of continuing health care coverage for up to twelve months following termination. In addition, upon a change in control of the Company, Mr. Ginn would be entitled to (1) vesting of his options granted prior to the date of the Ginn Employment Agreement and (2) a lump sum cash payment of one year of his base salary and bonus opportunity. If Mr. Ginn is terminated for cause or because of death or disability or resigns without good reason, then all vesting of Mr. Ginn' s equity awards and payments of compensation will immediately terminate and any severance benefits will be paid in accordance with established policies, if any, then in effect. The Ginn Employment Agreement contains restrictive covenants and other obligations relating to non- solicitation of our employees, non- disclosure of our proprietary information and assignment of inventions. Williamson Employment Agreement. Kevin Williamson, our Chief Financial Officer, and the Company entered into an Employment Agreement dated as of August 20, 2024 (the " Williamson Employment Agreement "). The Williamson Employment Agreement provides Mr. Williamson an annual base salary of $ 315, 000, an annual bonus of up to 30 % of his base salary based upon achievement of mutually agreed upon milestones, 50, 000 RSUs and employee benefits that are generally given to our senior executives. Under the Williamson Employment Agreement, in the event that Mr. Williamson' s employment is terminated by us without cause (as described in the Williamson Employment Agreement) the Company will provide severance pay equal to 100 % of the Base Salary for a period of 12 months from the date of termination. The Williamson Employment Agreement contains restrictive covenants and other obligations relating to non- solicitation of our employees, non- disclosure of our

proprietary information and assignment of inventions. The above summary description of the named executives' employment agreement includes some of the general terms and provisions of those agreements. For a more detailed description of those employment agreements, you should refer to such agreements, which are included as exhibits to this Annual Report on Form 10- K. Outstanding Equity Awards at Fiscal Year- End The following table summarizes the number of RSUs and shares of common stock underlying outstanding equity incentive plan awards for each named executive officer as of December 31, 2024. Option Awards Equity Awards (RSUs) Name Number of Securities Underlying Unexercised Options (#) Exercisable Number of Securities Underlying Unexercised Options (#) Unexercisable Option Exercise Price ($) Option Expiration Date Number of RSUs that have not Vested Market Value of RSUs Steven M. Foster — — $ — — 455 $ 855 Kevin Williamson — — $ — — 6, 250 $ 11, 750 Richard Ginn — — $ — — 941 $ 1, 769 Steven Van Dick — — $ — — — $ — The RSUs for Mr. Foster and Mr. Ginn were granted on May 12, 2022 and have the following vesting schedule: one- third vest on May 22, 2023 and the remaining two thirds vesting equally every six months over the following two years. The RSUs for Mr. Williamson were granted on November 5, 2024 with the following vesting schedule: one- third vest on September 3, 2025 and the remaining two thirds vesting equally every six months over the following two years. Board Compensation The following summary board compensation table provides information regarding the board compensation paid during our fiscal year ended December 31, 2024 to our board members. Only our independent directors received compensation for being directors during fiscal year 2024. Director Cash Compensation1 Equity Compensation2 Total Compensation Ivan Howard $ 67, 500 $ — $ 67, 500 Kristine M. Jacques3 $ 44, 375 $ 12, 040 $ 56, 415 Robert Weigle $ 75, 000 $ — $ 75, 000 Stephen Hochschuler $ 45, 000 $ — $ 45, 000 Total 231, 875 $ — $ 243, 915 1Ivan Howard received $ 40, 000 as a board retainer, $ 20, 000 for being Audit Committee Chairman and $ 7, 500 for being a member of the Compensation Committee; Kristine Jacques received $ 30, 000 as a board retainer, $ 7, 500 for being a member of the Audit Committee and $ 16, 875 for being a member of the Compensation Committee; Robert Weigle received $ 40, 000 as a board retainer, $ 10, 000 for being Nominating and Corporate Governance Committee Chairman, $ 15, 000 for being a member of the Compensation Committee and $ 10, 000 for being a member of the Audit Committee; and Stephen Hochschuler received $ 40, 000 as a board retainer and $ 5, 000 for being a member of the Nominating and Corporate Governance Committee. 2No equity compensation was issued to board members in 2024 other than the initial RSU grant to Kristine Jacques. 3Appointed as a director on March 25, 2024. On May 7, 2021, the Company entered into a Consulting Agreement (the " Ferrari Consulting Agreement ") with Richard Ferrari, a founder of the Company and its Executive Chairman, pursuant to which Mr. Ferrari was to assume the role of Executive Chairman of the Company in exchange for compensation of $ 22, 500 per month starting September 1, 2021. Under this consulting agreement Mr. Ferrari was paid a bonus of $ 350, 000, as a result of the closing of our initial public offering in April 2022. In May of 2022 Mr. Ferrari was granted RSUs which had a grant date fair value of $ 2, 427, 020 and vest over three years, with one- third vesting in May of 2023 and the remaining two thirds vesting equally every six months over the following two years. The compensation paid to Mr. Ferrari during the fiscal years ended December 31, 2024 and 2023, totaled $ 270, 000 and $ 247, 500, respectively. Policies and Practices for Granting Certain Equity Awards The Company is committed to maintaining transparency in its executive compensation practices and to making equity awards in a manner that is not influenced by the timing of the disclosure of material nonpublic information for the purpose of affecting the value of executive compensation. The Company regularly reviews its policies and practices related to equity awards to ensure they meet the evolving standards of corporate governance and continue to serve the best interests of the Company and its shareholders. Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters The following table sets forth certain information, as of March 26, 2025, with respect to the holdings of (1) each person who is the beneficial owner of more than 5 % of a class of Company voting stock, (2) each of our directors, (3) each executive officer, and (4) all of our current directors and executive officers as a group. Beneficial ownership of a class of voting stock is determined in accordance with the rules of the SEC and includes any shares of such class of the Company' s voting stock over which a person exercises sole or shared voting or investment power, or of which a person has a right to acquire ownership at any time within 60 days. Except as otherwise indicated, we believe that the persons named in this table have sole voting and investment power with respect to all shares of voting stock held by them. Applicable percentage ownership in the following table is based on 5, 584, 965 shares of common stock, 256, 968 shares of Series A Preferred Stock and 86, 454 shares of Series B Preferred Stock, in each case, issued and outstanding on March 26, 2025 plus, for each individual, any common stock that individual has the right to acquire within 60 days of March 26, 2025. To the best of our knowledge, except as otherwise indicated, each of the persons named in the table has sole voting and investment power with respect to the shares of our common stock beneficially owned by such person, except to the extent such power may be shared with a spouse. To our knowledge, none of the shares listed below are held under a voting trust or similar agreement, except as noted. To our knowledge, there is no arrangement, including any pledge by any person of securities of the Company, the operation of which may at a subsequent date result in a change in control of the Company. Number of Shares Beneficially Owned Beneficial Ownership Percentages Prior to Offering Name and Address of Beneficial Owner (1) Common Stock Series A Preferred Stock (2) Series B Preferred Stock (2) Percent of Common Stock Percent of Series A Preferred Stock Percent of Series B Preferred Stock Percent of Voting Stock (3) Officers and Directors Steven M. Foster, Chief Executive Officer and President 3, 423 (4)- *- * Kevin Williamson, Chief Financial Officer------- Richard Ginn, Chief Technology Officer 11, 929 (5)- *- * Richard Ferrari, Chairman of the Board 7, 199 (6)- *- * Ivan Howard, Director 1, 230 (7)- *- * Kristine M. Jacques, Director 583 (8)---- Robert K. Weigle, Director 234 (9)- *- * Stephen H. Hochschuler, M. D., Director 845 (10)- *- * Officers and Directors as a Group 25, 442 (11)- *- * 5 % Stockholders The Beckham- Shufeldt Family Trust- 66, 116- 25. 7 % 3. 1 % Ascent Special Ventures LLC- 67, 783- 26. 4

% 3. 2 % Dr. James Chappuis 7, 859 9. 1 % * % Norton Capital LLC 7, 859 9. 1 % * % MNAZ Investment Properties 7, 859 9. 1 % * % Vantage FBO Jonathan Fitzhugh Beneficiary IRA 7, 859 9. 1 % * % Vantage FBO Todd Douma IRA 7, 859 9. 1 % * % The 2017 Theresa A Lungwitz Rev Trust 7, 859 9. 1 % * % * Indicate less than 1 % beneficial ownership. (1) The principal address of the named officers, directors and 5 % stockholders of the Company is c / o Tenon Medical, Inc., 104 Cooper Court, Los Gatos, CA 95032. (2) Entitles the holder to 10 votes per share and votes with the common as a single class. (3) Represents total ownership percentage with respect to all shares of common stock, Series A Preferred Stock and Series B Preferred Stock, as a single class. (4) Includes 455 shares of our common stock underlying restricted stock units that vest within 60 days of March 26, 2025. (5) Includes 941 shares of our common stock underlying restricted stock units that vest within 60 days of March 26, 2025. (6) Includes 1, 153 shares held by the Ferrari Family Trust for which Richard Ferrari is trustee and 658 shares of our common stock underlying restricted stock units that vest within 60 days of March 26, 2025 (includes 86 shares of our common stock underlying restricted stock units held by TCTIG, LLC for which Richard Ferrari is the beneficial owner) and 824 shares of our common stock held by TCTIG, LLC and for which Richard Ferrari has voting control. (7) Includes 164 shares of our common stock underlying restricted stock units that vest within 60 days of March 26, 2025 (includes 86 shares of our common stock underlying restricted stock units held by TCTIG, LLC for which Ivan Howard is the beneficial owner) and 824 shares of our common stock held by TCTIG, LLC and for which Ivan Howard is either the beneficial owner or has voting control. (8) Includes 583 shares of our common stock underlying restricted stock units that vest within 60 days of March 26, 2025. (9) Includes 78 shares of our common stock underlying restricted stock units that vest within 60 days of March 26, 2025. (10) Includes 78 shares of our common stock underlying restricted stock units that vest within 60 days of March 26, 2025 and 247 shares of our common that are held by SHKH, LLC, an entity for which Stephen H. Hochschuler has a controlling interest. (11) Includes 2, 956 shares of our common stock underlying restricted stock units that vest within 60 days of March 26, 2025. See Part II, Item 5 “ Market for Registrant’ s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Securities Authorized for Issuance under Equity Compensation Plans. ” Item 13. Certain Relationships and Related Party Transactions, and Director Independence On May 7, 2021 the Company entered into the “ Ferrari Consulting Agreement with Richard Ferrari, a founder of the Company and its Executive Chairman. See “ Executive Compensation — Board Compensation ” for a summary description of the terms of the Ferrari Consulting Agreement. Item 14. Principal Accountant Fees and Services Audit and Non- Audit Fees Armanino LLP (“ Armanino ”) served as our independent registered public accounting firm prior to September 7, 2023. On September 7, 2023, Haskell & White LLP (“ H & W ”) became engaged as the Company’ s independent registered public accounting firm for the fiscal years ended December 31, 2024 and 2023. The table below presents the aggregate fees for professional services rendered by H & W for the years ended December 31, 2024 and 2023: 2024 2023 Audit fees $ 210, 600 $ 158, 500 Audit- related fees 174, 000 — All other fees — — Total fees $ 384, 600 $ 158, 500 The table below presents the aggregate fees billed for professional services rendered by Armanino for fiscal year 2023 (up to September 7, 2023). 2023 Audit fees $ 179, 102 Audit- related fees 54, 981 All other fees — Total fees $ 234, 083 In the above tables, “ audit fees ” are fees billed for services provided related to the audit of our annual financial statements, quarterly reviews of our interim financial statements, and services normally provided by the independent accountant in connection with regulatory filings or engagements for those fiscal periods. “ Audit- related fees ” are fees not included in audit fees that are billed by the independent accountant for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. These audit- related fees also consist of the review of our registration statements filed with the SEC and related services normally provided in connection with regulatory filings or engagements. “ All other fees ” are fees billed by the independent accountant for products and services not included in the foregoing categories. PART IV Item 15. Exhibits, Financial Statement Schedules. (a) The following documents are filed as part of this Annual Report: (1) The consolidated financial statements are filed as part of this Annual Report under “ Item 8. Financial Statements and Supplementary Data. ” (2) The consolidated financial statement schedules are omitted because they are either not applicable or the information required is presented in the consolidated financial statements and notes thereto under “ Item 8. Financial Statements and Supplementary Data. ” (3) The exhibits listed in the following Exhibit Index are filed, furnished or incorporated by reference as part of this Annual Report. (b) Exhibits See the Exhibit Index immediately preceding the signature page of this Annual Report. EXHIBIT INDEXExhibit No. Description 3. 1 Second Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to the Registrant’ s Registration Statement No. 333- 271648, filed on May 4, 2023) 3. 2 Bylaws of the Registrant (incorporated by reference to the Registrant’ s Registration Statement No. 333- 260931, filed on April 20, 2022) 3. 3 Certificate of Designations, Rights and Preferences for Series A Preferred Stock (incorporated by reference to the Registrant’ s Current Report on Form 8- K, filed on February 22, 2024) 3. 4 Amendment to Certificate of Designations, Rights and Preferences for Series A Preferred Stock (incorporated by reference to the Registrant’ s Registration Statement No. 333- 281531, filed on September 9, 2024) 3. 5 Certificate of Designations, Rights and Preferences for Series B Preferred Stock (incorporated by reference to the Registrant’ s Current Report on Form 8- K, filed on September 6, 2024) 4. 1 Form of Representative’ s Warrant in connection with the Registrant’ s Initial Public Offering (incorporated by reference to the Registrant’ s Registration Statement No. 333- 260931, filed on April 15, 2022) 4. 2 Form of publicly traded Warrant issued on June 16, 2023 (Incorporated by reference to exhibit 4. 1 the Registrant’ s Registration Statement No. 333- 272488, filed on June 7, 2023) 4. 3 Form of Warrant Agency Agreement between the Company and VStock Transfer, LLC (incorporated by reference to exhibit 4. 3 to the Registrant’ s Registration Statement No. 333- 272488, filed on June 7, 2023) 4. 4 Form of Warrant issued to investors on November 21, 2023 (incorporated by reference to the Registrant’ s Current Report on Form 8- K, filed on November 28,

2023) 4. 5 Form of Warrant issued to investors in the Series A Preferred Stock on February 20, 2024 (incorporated by reference to the Registrant' s Current Report on Form 8- K, filed on February 22, 2024) 4. 6 Form of Warrant issued to the investors in the Series B Preferred Stock (incorporated by reference to the Registrant' s Current Report on Form 8- K, filed on September 6, 2024) 4. 7 Description of Securities of the Registrant (incorporated by reference to the Registrant' s 8- A12B Registration Statement, filed on April 26, 2022) 4. 8 Form of Series C- 1 Warrant (incorporated by reference to the Registrant' s Current Report on Form 8- K, filed on March 12, 2025) 4. 9 Form of Series C- 2 Warrant (incorporated by reference to the Registrant' s Current Report on Form 8- K, filed on March 12, 2025) 10. 1 Employment Agreement dated June 1, 2021 between Steven M. Foster and the Registrant (incorporated by reference to the Registrant' s Registration Statement No. 333- 260931, filed on April 20, 2022) 10. 2 Employment Agreement dated June 1, 2021 between Richard Ginn and the Registrant (incorporated by reference to the Registrant' s Registration Statement No. 333- 260931, filed on April 20, 2022) 10. 3 Consulting Agreement dated May 7, 2021 by and between Richard Ferrari and the Registrant (incorporated by reference to the Registrant' s Registration Statement No. 333- 260931, filed on April 20, 2022) 10. 4 Tennon Medical 2022 Equity Incentive Plan (incorporated by reference to the Registrant' s Registration Statement No. 333- 271648, filed on May 4, 2023) 10. 5 Form of Securities Purchase Agreement between the Registrant and Lincoln Park Capital Fund, LLC (incorporated by reference to the Registrant' s Current Report on Form 8- K, filed on July 28, 2023) 10. 6 Form of Securities Purchase Agreement entered into between the Registrant and investors in the Series A Preferred Stock (incorporated by reference to the Registrant' s Current Report on Form 8- K, filed on February 22, 2024) 10. 7 Form of Securities Purchase Agreement entered into between the Registrant and investors in the November 2023 Notes (incorporated by reference to the Registrant' s Current Report on Form 8- K, filed on November 28, 2023) 10. 8 Form of Securities Purchase Agreement entered into between the Registrant and investors in the Series B Preferred Stock (incorporated by reference to the Registrant' s Current Report on Form 8- K, filed on September 6, 2024) 10. 9 Form of Inducement Letter, dated March 11, 2025 (incorporated by reference to the Registrant' s Current Report on Form 8- K, filed on March 12, 2025) 19. 1 Insider Trading Policy (incorporated by reference to the Registrant' s Annual Report on Form 10- K, filed on March 29, 2024) 21. 1 List of Subsidiaries of the Registrant (incorporated by reference to the Registrant' s Registration Statement No. 333- 281531, filed on September 9, 2024) 23. 1 Consent of Haskell & White LLP 31. 1 Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002 31. 2 Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes- Oxley Act of 2002 32. 1 # Certification of Principal Executive Officer pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002 32. 2 # Certification of Principal Financial Officer pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002 97. 1 Tenon Medical, Inc. Clawback Policy (incorporated by reference to the Registrant' s Annual Report on Form 10- K, filed on March 29, 2024) 101. INS Inline XBRL Instance Document. 101. SCH Inline XBRL Taxonomy Extension Schema Document. 101. CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document. 101. DEF Inline XBRL Taxonomy Extension Definition Linkbase Document. 101. LAB Inline XBRL Taxonomy Extension Label Linkbase Document. 101. PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document. Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). # Exhibits 32. 1 and 32. 2 are being furnished and shall not be deemed to be " filed " for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall such exhibits be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise specifically stated in such filing. Item 16. Form 10- K Summary. N / A. SIGNATURES Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. Tenon Medical, Inc. Date: March 26, 2025 By: / s / Steven M. Foster Steven M. Foster Chief Executive Officer and President (Principal Executive Officer) Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on March 26, 2025. Name Position Date / s / Steven M. Foster Chief Executive Officer and President, Director March 26, 2025 Steven M. Foster (Principal Executive Officer) / s / Richard Ginn Chief Technology Officer and Director March 26, 2025 Richard Ginn / s / Kevin Williamson Chief Financial Officer March 26, 2025 Kevin Williamson (Principal Financial and Accounting Officer) / s / Richard Ferrari Director March 26, 2025 Richard Ferrari / s / Ivan Howard Director March 26, 2025 Ivan Howard / s / Kristine M. Jacques Director March 26, 2025 Kristine M. Jacques / s / Robert K. Weigle Director March 26, 2025 Robert K. Weigle / s / Stephen H. Hochschuler, M. D Director March 26, 2025 Stephen H. Hochschuler, M. D http: / / fasb. org / us- gaap / 2024 # UsefulLifeShorterOfTermOfLeaseOrAssetUtilityMemberfalse FY2024- 01- 01 2024- 12- 31tnon: CommonStockParValue0001PerShareMember2024- 01- 01 2024- 12- 31tnon: WarrantsToPurchaseSharesOfCommonStockParValue0001PerShareMember2024- 01- 01 2024- 12- 312024- 06- 302025- 03- 262024- 12- 312023- 12- 31us- gaap: SeriesAPreferredStockMember2024- 12- 31us- gaap: SeriesAPreferredStockMember2023- 12- 31us- gaap: SeriesBPreferredStockMember2024- 12- 31us- gaap: SeriesBPreferredStockMember2023- 12- 312023- 01- 01 2023- 12- 31tnon: SeriesAConvertiblePreferredStockMember2022- 12- 31tnon: SeriesBConvertiblePreferredStockMember2022- 12- 31us- gaap: CommonStockMember2022- 12- 31us- gaap: AdditionalPaidInCapitalMember2022- 12- 31us- gaap: RetainedEarningsMember2022- 12- 31us- gaap: AccumulatedOtherComprehensiveIncomeMember2022- 12- 312022- 12- 31tnon: SeriesAConvertiblePreferredStockMember2023- 01- 01 2023- 12- 31tnon: SeriesBConvertiblePreferredStockMember2023- 01- 01 2023- 12- 31us- gaap: CommonStockMember2023- 01- 01 2023- 12- 31us- gaap: AdditionalPaidInCapitalMember2023- 01- 01 2023- 12- 31us- gaap:

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2023- 12- 31us- gaap: EmployeeStockOptionMember2023- 12- 31us- gaap: RestrictedStockUnitsRSUMember2023- 12- 31us- gaap: EmployeeStockOptionMember2024- 01- 01 2024- 12- 31us- gaap: RestrictedStockUnitsRSUMember2024- 01- 01 2024- 12- 31us- gaap: EmployeeStockOptionMember2024- 12- 31us- gaap: RestrictedStockUnitsRSUMember2024- 12- 31us- gaap: ResearchAndDevelopmentExpenseMember2024- 01- 01 2024- 12- 31us- gaap: ResearchAndDevelopmentExpenseMember2023- 01- 01 2023- 12- 31us- gaap: SellingAndMarketingExpenseMember2024- 01- 01 2024- 12- 31us- gaap: SellingAndMarketingExpenseMember2023- 01- 01 2023- 12- 31us- gaap: GeneralAndAdministrativeExpenseMember2024- 01- 01 2024- 12- 31us- gaap: GeneralAndAdministrativeExpenseMember2023- 01- 01 2023- 12- 31tnon: SalesRepresentativeAgreementMember2020- 04- 01 2020- 04- 30tnon: SalesRepresentativeAgreementMember2021- 05- 31tnon: SalesRepresentativeAgreementMember2021- 05- 31 2021- 05- 31tnon: AmendedAndRestatedExclusiveSalesRepresentativeAgreementMember2021- 05- 31 2021- 05- 31tnon: SalesRepresentativeAgreementMember2021- 10- 31tnon: SalesRepresentativeAgreementMember2022- 04- 30tnon: SalesRepresentativeAgreementMember2024- 12- 312022- 10- 06tnon: TerminationAgreementMember2024- 01- 01 2024- 12- 31tnon: ConsultingAgreementMember2022- 10- 07 2023- 10- 05tnon: ConsultingAgreementMember2023- 10- 05us- gaap: StateAndLocalJurisdictionMember2024- 12- 31us- gaap: ForeignCountryMember2024- 12- 31stpr: CA2024- 12- 31us- gaap: AllOtherSegmentsMember2024- 01- 01 2024- 12- 31us- gaap: SubsequentEventMember2025- 03- 11us- gaap: SubsequentEventMember2025- 03- 11 2025- 03- 11srt: MinimumMember srt: ScenarioForecastMember2025- 03- 25srt: MinimumMember srt: ScenarioForecastMember2025- 03- 25 2025- 03- 25srt: MaximumMember srt: ScenarioForecastMember2025- 03- 25srt: MaximumMember srt: ScenarioForecastMember2025- 03- 25 2025- 03- 252024- 10- 01 2024- 12- 31iso4217: USD xbrli: sharesiso4217: USDxbrli: sharesxbrli: pureExhibit 23. 1 Consent of independent aCCOUNTING FIRM We consent to the incorporation by reference in the Registration Statements on Form S- 1 (File Nos. 333- 282704, 333- 281531 and 333- 279336), the Registration Statement on Form S- 3 (File No. 333- 271648) and the Registration Statements on Form S- 8 (File Nos. 333- 271778 and 333- 268360) of Tenon Medical, Inc. (the " Company ") of our report dated March 26, 2025, relating to the Company' s consolidated financial statements as of December 31, 2024 and 2023 and for each of the years then ended, which appears in this Annual Report on Form 10- K for the fiscal year ended December 31, 2024. Our report includes an explanatory paragraph expressing substantial doubt regarding the Company' s ability to continue as a going concern. / s / HASKELL & WHITE LLP EXHIBIT 31. 1 CERTIFICATION OF PRINCIPAL EXECTUIVE OFFICER PURSUANT TO RULE 13a- 14 (a) / 15d- 14 (a), AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES- OXLEY ACT OF 2002 I, Steven Foster, certify that: 1. I have reviewed this Annual Report on Form 10- K of Tenon Medical, Inc.; 2. Based on my knowledge, this report

does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4. The registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a- 15 (e) and 15d- 15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a- 15 (f) and 15d- 15 (f)) for the registrant and have: (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and5. The registrant' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions): (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting. Date: March 26, 2025 By: / s / Steven Foster Name: Steven Foster Title: Chief Executive Officer and President (Principal Executive Officer) EXHIBIT 31. 2 CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER I, Kevin Williamson, certify that: Date: March 26, 2025 By: / s / Kevin Williamson Name: Kevin Williamson Title: Chief Financial Officer (Principal Financial Officer) (Principal Accounting Officer) EXHIBIT 32. 1 CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U. S. C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES- OXLEY ACT OF 2002 Pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, I, Steven Foster, the Chief Executive Officer and President of Tenon Medical, Inc. (the " Company "), hereby certify, that, to my knowledge: 1. The Annual Report on Form 10- K for the period ended December 31, 2024 (the " Report ") of the Company fully complies with the requirements of Section 13 (a) and 15 (d) of the Securities Exchange Act of 1934; and2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. Date: March 26, 2025 By: / s / Steven Foster Name: Steven Foster Title: Chief Executive Officer and President (Principal Executive Officer) EXHIBIT 32. 2 Pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, I, Kevin Williamson, the Chief Financial Officer of Tenon Medical, Inc. (the " Company "), hereby certify, that, to my knowledge: 1. The Annual Report on Form 10- K for the period ended December 31, 2024 (the " Report ") of the Company fully complies with the requirements of Section 13 (a) / 15 (d) of the Securities Exchange Act of 1934; and