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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)
☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2026

OR

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

For the transition period from _____ to _____

Commission file number: 001-39421

ORCHESTRA BIOMED HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	92-2038755
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

150 Union Square Drive
New Hope, Pennsylvania 18938
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (215) 862-5797

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.0001 per share	OBIO	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

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

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

As of May 8, 2026, the registrant had 59,880,715 shares of common stock, $0.0001 par value per share, outstanding.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains forward-looking statements. All statements other than statements of historical facts contained in this report, including statements regarding our future results of operations and financial position, business strategy, product candidates, planned preclinical studies and clinical trials, results of clinical trials, research and development costs, regulatory approvals, timing, and likelihood of success, as well as plans and objectives of management for future operations, are forward-looking statements. These statements involve known and unknown risks, uncertainties, and other important factors that are in some cases beyond our control and may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "would," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other similar expressions. Forward-looking statements contained in this report include, but are not limited to, statements about:

- our ability to raise financing in the future, including our ability to borrow additional funds under our current debt financing arrangements;
- our success in retaining or recruiting, or changes required in, our officers, key employees or directors;
- our ability and/or the ability of third-party vendors and partners to manufacture our product candidates;
- our ability to source critical components or materials for the manufacture of our product candidates;
- our ability to achieve and sustain profitability;
- our ability to achieve our projected development and commercialization goals;
- the rate of progress, costs and results of our clinical studies and research and development activities, including, among other things, the date by which we expect to complete enrollment of our BACKBEAT Global Pivotal Trial and our Virtue Trial;
- market acceptance of our product candidates, if approved;
- our ability to compete successfully with larger companies in a highly competitive industry;
- changes in our operating results, which make future operations results difficult to predict;
- serious adverse events, undesirable side effects that could halt the clinical development, regulatory approval or certification, of our product candidates;
- our ability to manage growth or control costs related to growth;
- economic conditions that may adversely affect our business, financial condition and stock price;
- our reliance on third parties to drive successful marketing and sale of our initial product candidates, if approved;
- our reliance on third parties to manufacture and provide important materials and components for our products and product candidates;
- our and our partners' abilities to obtain necessary regulatory approvals and certifications for our product candidates in an uncomplicated and inexpensive manner;

- our ability to maintain compliance with regulatory and post-marketing requirements;
- adverse medical events, failure or malfunctions in connection with our product candidates and possible subjection to regulatory sanctions;
- healthcare costs containment pressures and legislative or administrative reforms which affect coverage and reimbursement practices of third-party payors;
- our ability to protect or enforce our intellectual property, unpatented trade secrets, know-how and other proprietary technology;
- our ability to obtain necessary intellectual property rights from third parties;
- our ability to protect our trademarks, trade names and build our name recognition;
- our ability to maintain the listing of our common stock on The Nasdaq Stock Market LLC ("Nasdaq");
- the success of our licensing agreements; and
- our public securities' liquidity and trading.

We have based these forward-looking statements largely on our current expectations and projections about our business, the industry in which we operate and financial trends that we believe may affect our business, financial condition, results of operations, and prospects, and these forward-looking statements are not guarantees of future performance or development. These forward-looking statements speak only as of the date of this report and are subject to a number of risks, uncertainties, and assumptions described under the headings "Item 1A. Risk Factors" in Part I of our Annual Report on Form 10-K for the year ended December 31, 2025 (the "2025 10-K") filed with SEC on March 12, 2026 as well as elsewhere in this Quarterly Report. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. We do not plan to publicly update or revise any forward-looking statements contained herein whether as a result of any new information, future events, or otherwise, except as required by law.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this report, and, while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain, and you are cautioned not to unduly rely upon these statements.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

ORCHESTRA BIOMED HOLDINGS, INC.
Condensed Consolidated Balance Sheets
(in thousands, except share and per share data)
(Unaudited)

	March 31, 2026	December 31, 2025
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 28,367	$ 34,690
Marketable securities	66,033	71,822
Accounts receivable, net	84	95
Inventory	277	310
Prepaid expenses and other current assets	1,448	994
Total current assets	96,209	107,911
Property and equipment, net	1,848	1,715
Right-of-use assets	1,337	1,496
Strategic investments	—	2,495
Deposits and other assets	1,264	1,240
TOTAL ASSETS	$ 100,658	$ 114,857
LIABILITIES, SERIES A PREFERRED STOCK AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 6,313	$ 6,095
Accrued expenses and other liabilities	6,594	9,890
Operating lease liability, current portion	785	751
Total current liabilities	13,692	16,736
Royalty purchase agreement	17,787	16,482
Loan payable	14,333	14,268
Derivative liability	2,784	2,749
Operating lease liability, less current portion	730	936
Other long-term liabilities	367	308
TOTAL LIABILITIES	49,693	51,479
Series A Preferred Stock, $0.0001 par value per share; 200,000 issued and outstanding at March 31, 2026 and December 31, 2025; aggregate liquidation preference of $20,000	9,773	9,808
STOCKHOLDERS' EQUITY		
Preferred stock, $0.0001 par value, 10,000,000 shares authorized;	—	—
Common stock, $0.0001 par value per share; 340,000,000 shares authorized; 58,630,715 and 57,032,963 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively.	6	6
Additional paid-in capital	424,496	416,083
Accumulated other comprehensive (loss) income	(40)	60
Accumulated deficit	(383,270)	(362,579)
TOTAL STOCKHOLDERS' EQUITY	41,192	53,570
TOTAL LIABILITIES, SERIES A PREFERRED STOCK AND STOCKHOLDERS' EQUITY	$ 100,658	$ 114,857

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

ORCHESTRA BIOMED HOLDINGS, INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2026	**2025**
Revenue:		
Partnership revenue	$ —	$ 732
Product revenue	110	136
Total revenue	110	868
Expenses:		
Cost of product revenues	32	44
Research and development	15,781	13,482
Selling, general and administrative	6,373	6,263
Total expenses	22,186	19,789
Loss from operations	(22,076)	(18,921)
Other (expense) income:		
Interest (expense) income, net	(821)	166
Change in the fair value of derivative liability	(35)	—
Gain on sale of strategic investments	2,241	—
Total other income	1,385	166
Net loss	(20,691)	(18,755)
Adjustment to carrying value of Series A Preferred Stock	35	—
Net loss attributable to common stockholders	$ (20,656)	$ (18,755)
Net loss attributable to common stockholders per share		
Basic and diluted	$ (0.33)	$ (0.49)
Weighted-average shares used in computing net loss attributable to common stockholders per share, basic and diluted	62,721,869	38,235,409
Comprehensive loss		
Net loss	$ (20,691)	$ (18,755)
Unrealized loss on marketable securities	(100)	(15)
Comprehensive loss	$ (20,791)	$ (18,770)

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

ORCHESTRA BIOMED HOLDINGS, INC.
Condensed Consolidated Statements of Stockholders' Equity
(in thousands, except share and per share data)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance, January 1, 2026	57,032,963	$ 6	$ 416,083	$ 60	$ (362,579)	$ 53,570
At-the-Market offering, net of issuance costs of $150	1,451,439	—	5,855	—	—	5,855
Unrealized loss on marketable securities	—	—	—	(100)	—	(100)
Stock-based compensation	—	—	2,851	—	—	2,851
Restricted stock unit vesting	140,035	—	(354)	—	—	(354)
Exercise of stock options	6,278	—	26	—	—	26
Adjustment to carrying value of Series A Preferred Stock	—	—	35	—	—	35
Net loss	—	—	—	—	(20,691)	(20,691)
Balance, March 31, 2026	58,630,715	$ 6	$ 424,496	$ (40)	$ (383,270)	$ 41,192

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
Balance, January 1, 2025	38,194,442	$ 4	$ 342,780	$ 52	$ (309,878)	$ 32,958
Unrealized loss on marketable securities	—	—	—	(15)	—	(15)
Stock-based compensation	—	—	2,965	—	—	2,965
Restricted stock unit vesting	95,958	—	(387)	—	—	(387)
Exercise of stock options	22,112	—	91	—	—	91
Net loss	—	—	—	—	(18,755)	(18,755)
Balance, March 31, 2025	38,312,512	$ 4	$ 345,449	$ 37	$ (328,633)	$ 16,857

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

ORCHESTRA BIOMED HOLDINGS, INC.
Condensed Consolidated Statements of Cash Flows
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (20,691)	$ (18,755)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	90	83
Stock-based compensation	2,851	2,965
Non-cash interest expense on liability related to the royalty purchase agreement	1,305	—
Gain on sale of strategic investments	(2,241)	—
Accretion and interest related to marketable securities	(77)	(112)
Non-cash lease expense	159	147
Change in the fair value of derivative liability	35	—
Amortization of deferred financing fees	64	46
Changes in operating assets and liabilities:		
Accounts receivable	11	3
Inventory	33	38
Prepaid expenses and other assets	(477)	35
Accounts payable, accrued expenses and other liabilities	(3,058)	(202)
Operating lease liabilities – current and non-current	(172)	(132)
Deferred revenue	—	(732)
Net cash used in operating activities	(22,168)	(16,616)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(184)	(112)
Sales of marketable securities	18,891	16,013
Purchases of marketable securities	(13,125)	(2,902)
Sale of strategic investments	4,736	—
Net cash provided by investing activities	10,318	12,999
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from At-The-Market offering, net of issuance costs	5,855	—
Proceeds from exercise of stock options	26	91
Restricted stock units withheld for tax	(354)	(387)
Net cash provided by (used in) financing activities	5,527	(296)
Net decrease in cash and cash equivalents	(6,323)	(3,913)
Cash and cash equivalents, beginning of the period	34,690	22,261
Cash and cash equivalents, end of the period	$ 28,367	$ 18,348
Supplemental Disclosures of Cash Flow Information		
Cash paid during the three months ended March 31:		
Interest	$ 356	$ 358
Supplemental disclosure of noncash activities		
Non-cash investing activities:		
Purchases of Property & equipment within accounts payable, accrued expenses and other liabilities	$ 39	$ —

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

ORCHESTRA BIOMED HOLDINGS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. Organization and Basis of Presentation

Orchestra BioMed Holdings, Inc. (collectively, with its subsidiaries, "Orchestra" or the "Company") is a biomedical innovation company accelerating high-impact technologies to patients through risk-reward sharing partnerships with leading medical device companies. The Company's partnership-enabled business model focuses on forging strategic collaborations with leading medical device companies to drive successful global commercialization of products it develops. The Company's flagship product candidates are Atrioventricular Interval Modulation Therapy ("AVIM Therapy") for the treatment of hypertension ("HTN"), the leading risk factor for death worldwide, and Virtue® Sirolimus AngioInfusion™ Balloon ("Virtue SAB") for the treatment of atherosclerotic artery disease, the leading cause of mortality worldwide.

The Company was incorporated in the Cayman Islands in 2020, as a special purpose acquisition company under the name Health Sciences Acquisitions Corporation 2 ("HSAC2"). On January 26, 2023, Orchestra BioMed, Inc., the Company's wholly owned subsidiary, and HSAC2 consummated a business combination pursuant to which, among other things, Orchestra BioMed, Inc. became a wholly owned subsidiary of HSAC2 and HSAC2 changed its name to Orchestra BioMed Holdings, Inc. (the "Business Combination"). HSAC2 Holdings, LLC (the "Sponsor") was the sponsor of HSAC2 prior to the Business Combination.

Orchestra BioMed, Inc. was incorporated in Delaware in January 2017 and was formed to acquire operating and other assets as well as to raise capital conducted through private placements. In May 2018, Orchestra BioMed, Inc. concurrently completed its formation mergers (the "Formation Mergers") with Caliber Therapeutics, Inc., a Delaware corporation, BackBeat Medical, Inc., a Delaware Corporation, and FreeHold Surgical, Inc., a Delaware corporation. Orchestra BioMed, Inc. completed the conversions of BackBeat Medical, Inc. to BackBeat Medical, LLC, a Delaware limited liability company, ("BackBeat") of FreeHold Surgical, Inc. to FreeHold Surgical, LLC, a Delaware limited liability company ("FreeHold") and of Caliber Therapeutics, Inc. to Caliber Therapeutics, LLC, a Delaware limited liability company, ("Caliber") in 2019.

Caliber

Caliber Therapeutics, Inc. was incorporated in Delaware in October 2005 and began development of its lead product candidate Virtue SAB in 2008. Virtue SAB is a patented drug/device combination product candidate for the treatment of artery disease that delivers a proprietary extended release formulation of sirolimus called SirolimusEFR to the vessel wall during balloon angioplasty without any coating on the balloon surface or the need for leaving a permanent implant such as a stent in the artery.

BackBeat

BackBeat Medical, Inc. was incorporated in Delaware in January 2010 and began development of its lead product candidate AVIM Therapy that same year. AVIM Therapy is a patented implantable cardiac stimulation-based treatment for HTN that is designed to immediately, substantially and persistently lower blood pressure while simultaneously modulating autonomic nervous system responses that normally drive and maintain blood pressure higher. Refer to Note 3 – *"Medtronic Agreement"* for details regarding the Exclusive License and Collaboration Agreement, dated as of June 30, 2022, by and among, Orchestra BioMed, Inc., BackBeat and Medtronic, Inc. (an affiliate of Medtronic plc) (the "Medtronic Agreement").

FreeHold

FreeHold Surgical, Inc. was incorporated in Delaware in May 2010 and began development of its hands-free, intracorporeal retractor device for minimally-invasive surgery in 2012. FreeHold is engaged in the development, sales and marketing of its retractor products that provide optimized visual and total surgeon control during laparoscopic and robotic procedures.

Basis of Presentation and Liquidity

The accompanying unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for interim financial reporting. These condensed statements are unaudited and, in the opinion of management, include all adjustments (consisting of normal recurring adjustments and accruals) necessary to fairly present the results of the interim periods. The condensed consolidated balance sheet at December 31, 2025 has been derived from the audited financial statements at that date. Operating results and cash flows for the three months ended March 31, 2026 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2026 or any other future period. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been omitted in accordance with the rules and regulations for interim reporting of the SEC. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 12, 2026 together with the related notes thereto.

The Company has a limited operating history and the sales and income potential of its businesses and markets are unproven. As of March 31, 2026, the Company had an accumulated deficit of $383.3 million and has experienced net losses each year since its inception. The Company expects to incur substantial operating losses in future periods and will require additional capital as it seeks to advance its products to commercialization. The Company is subject to a number of risks and uncertainties similar to those of other companies of the same size within the biomedical device industry, such as uncertainty of clinical trial outcomes, uncertainty of additional funding, and history of operating losses.

The Company follows the provisions of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 205-40, *Presentation of Financial Statements — Going Concern*, which requires management to assess the Company's ability to continue as a going concern within one year after the date the financial statements are issued.

Based on the available balance of cash and cash equivalents and marketable securities as of March 31, 2026, and proceeds from contractual financing commitments received after the balance sheet date, management has concluded that sufficient capital is available to fund its operations and meet cash requirements through the one-year period subsequent to the issuance date of these financial statements. Management may consider plans to raise capital through the one-year period subsequent to the issuance date of these financial statements through issuance of equity securities, debt securities, and/or additional development and commercialization partnerships for other products within the Company's development pipeline. The source, timing and availability of any future financing will depend principally upon market conditions and on the progress of the Company's research and development programs.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures in the condensed consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and on assumptions believed to be reasonable under the circumstances. Actual results could differ materially from those estimates. Areas where significant estimates exist include, but are not limited to, research and development costs incurred, effective interest expense related to the Royalty Purchase Agreement (see Note 13 – *"Royalty Purchase Agreement"* for additional information), and the fair value of the derivative liability related to the Company's Series A Preferred Stock, $0.0001 par value per share (the "Series A Preferred Stock") (see Note 8 – *"Derivative Liability"* for additional information).

Cash and Cash Equivalents

Cash and cash equivalents are held in banks or in custodial accounts with banks. Cash equivalents are defined as all liquid investments and money market funds with maturity from date of purchase of 90 days or less that are readily convertible into cash.

Marketable Securities

The Company accounts for its marketable securities with remaining maturities of less than one year, or where its intent is to use the investments to fund current operations or to make them available for current operations, as short-term investments. These investments represent debt investments in corporate or government securities that are designated as available-for-sale and are carried at fair value, with unrealized gains and losses reported in stockholders' equity as accumulated other comprehensive (loss) income. The disclosed fair value related to the Company's investments is based on market prices from a variety of industry standard data providers and generally represent quoted prices for similar assets in active markets or have been derived from observable market data.

Strategic Investments

Management had made investments in certain companies and assessed whether the Company exerted significant influence over its strategic investments. The Company considered the nature and magnitude of its investment, any voting and protective rights it held, any participation in the governance of the other company, and other relevant factors such as the presence of a collaboration or other business relationships. To date, the Company has concluded that it did not have the ability to exercise significant influence over its strategic investments.

As of December 31, 2025, the Company's strategic investments consisted of preferred shares of Vivasure Medical Limited ("Vivasure"), a privately-held company and related party. The investments in Vivasure did not have readily determinable fair values and were recorded at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. Additionally, as the investments in Vivasure were not readily marketable, the Company categorized the investments as non-current assets. As of December 31, 2025, the carrying value of the investments in Vivasure was $2.5 million. On January 9, 2026, Haemonetics Corporation, a global medical technology company focused on delivering innovative solutions designed to improve patient outcomes, announced its acquisition of Vivasure. As a result, the Company recognized a gain of $2.2 million on the sale of strategic investments during the three months ended March 31, 2026 (see Note 5 – *"Marketable Securities and Strategic Investments"* for additional information).

Fair Value of Financial Instruments

The Company applies ASC 820, *Fair Value Measurement* ("ASC 820"), which establishes a framework for measuring fair value and clarifies the definition of fair value within that framework. ASC 820 defines fair value as an exit price, which is the price that would be received for an asset or paid to transfer a liability in the Company's principal or most advantageous market in an orderly transaction between market participants on the measurement date. The fair value hierarchy established in ASC 820 generally requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Observable inputs reflect the assumptions that market participants would use in pricing the asset or liability and are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the entity's own assumptions based on market data and the entity's judgments about the assumptions that market participants would use in pricing the asset or liability and are to be developed based on the best information available in the circumstances.

The carrying value of the Company's cash and cash equivalents, accounts receivable, prepaid expense, accounts payable, and accrued expenses approximate fair value because of the short-term maturity of these financial instruments. In addition, the Company records its investment in marketable securities at fair value. See Note 4 – *"Financial Instruments and Fair Value Measurements"* for additional information regarding fair value measurements. For additional information on the fair value measurements performed related to the derivative liability, see Note 8 – *"Derivative Liability."*

The valuation hierarchy is composed of three levels. The classification within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. The levels within the valuation hierarchy are described below:

Level 1 — Assets and liabilities with unadjusted, quoted prices listed on active market exchanges. Inputs to the fair value measurement are observable inputs, such as quoted prices in active markets for identical assets or liabilities.

Level 2 — Inputs to the fair value measurement are determined using prices for recently traded assets and liabilities with similar underlying terms, as well as direct or indirect observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 — Inputs to the fair value measurement are unobservable inputs, such as estimates, assumptions, and valuation techniques when little or no market data exists for the assets or liabilities.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable represent amounts due from customers. The allowance for doubtful accounts is recorded for estimated losses by evaluating various factors, including relative creditworthiness of each customer, historical collections experience and aging of the receivable. As of March 31, 2026 and December 31, 2025, an allowance for doubtful accounts was not deemed necessary.

Inventory

Inventory is stated at the lower of standard cost (which approximates actual cost on a first-in, first-out basis) and net realizable value. Net realizable value represents the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation. The Company analyzes its inventory levels and writes down inventory that has become obsolete or has a cost basis in excess of its expected net realizable value or inventory quantities in excess of expected requirements. Excess requirements are determined based on comparison of existing inventories to forecasted sales, with consideration given to inventory shelf life. Expired inventory is disposed of, and the related costs are recognized in cost of goods sold. As of March 31, 2026 and December 31, 2025, an impairment charge as a result of obsolete inventory was not deemed necessary.

Research and Development Prepayments, Accruals and Related Expenses

The Company incurs costs of research and development activities conducted by its third-party service providers, which include the conduct of preclinical and clinical studies. The Company is required to estimate its prepaid and accrued research and development costs at each reporting date. These estimates are made as of the reporting date of the work completed over the life of the individual study in accordance with agreements established with the Company's service providers. The Company determines the estimates of research and development activities incurred at the end of each reporting period through discussion with internal personnel and outside service providers, as to the progress or stage of completion of trials or services, as of the end of the reporting period, pursuant to contracts with the third parties and the agreed upon fee to be paid for such services. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are deferred and capitalized. The capitalized amounts are expensed as the related goods are accepted by the Company or the services are performed. Accruals are recorded for the amounts of services provided that have not yet been invoiced.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the lesser of their useful life or the remaining life of the lease. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation and amortization are removed from the balance sheet and any resulting gain or loss is reflected in operations in the period realized. Maintenance and repairs are charged to operations as incurred.

Asset category	Depreciable life
Manufacturing equipment	10 years
Office equipment	3 – 7 years
Research and development equipment	7 years

Leases

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the terms of the arrangement. The Company accounts for a contract as a lease when it has the right to control the asset for a period of time while obtaining substantially all of the asset's economic benefits. The Company determines the initial classification and measurement of its operating right-of-use ("ROU") assets and operating lease liabilities at the lease commencement date, and thereafter if modified. The lease term includes any renewal options that the Company is reasonably assured to exercise. The Company's policy is to not record leases with a lease term of 12 months or less on its balance sheets.

The ROU asset represents the right to use the leased asset for the lease term. The lease liability represents the present value of the lease payments under the lease. The present value of lease payments is determined by using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the Company uses its estimated secured incremental borrowing rate for that lease term. Lease expense for operating leases is recognized on a straight-line basis over the reasonably assured lease term based on the total lease payments and is included in operating expense in the condensed consolidated statements of operations and comprehensive loss.

Payments due under each lease agreement include fixed and variable payments. Variable payments relate to the Company's share of the lessor's operating costs associated with the underlying asset and are recognized when the event on which those payments are assessed occurs. Variable payments have been excluded from the lease liability and associated right-of-use asset.

The interest rate implicit in lease agreements is typically not readily determinable, and as such, the Company utilizes the incremental borrowing rate to calculate lease liabilities, which is the rate incurred to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment.

Debt Discount and Debt Issuance Costs

Debt discounts and debt issuance costs incurred in connection with the issuance of debt are capitalized and reflected as a reduction to the related debt liability. The costs are amortized to interest expense over the term of the debt using the effective-interest method.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparing the carrying amount to the future net undiscounted cash flows that the assets are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the projected discounted future net cash flows arising from the asset. The Company has not identified any such impairment losses to date.

Revenue Recognition

The Company recognizes revenue under the core principle according to ASC 606, *Revenue from Contracts with Customers* ("ASC 606"), to depict the transfer of control to the Company's customers in an amount reflecting the consideration to which the Company expects to be entitled. In order to achieve that core principle, the Company applies 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's revenues were previously comprised of partnership revenues from the Terumo Agreement relating to the development and commercialization of Virtue SAB, and continue to include product revenue from the sale of FreeHold's intracorporeal organ retractors.

Partnership Revenues

Previously, the Company's partnership revenues have related to the Terumo Agreement (as defined below), which was terminated pursuant to a termination and right of first refusal agreement on October 24, 2025 (the "Termination and ROFR Agreement"). In future periods, partnership revenues may also include revenues related to the Medtronic Agreement as discussed in Note 3 – *"Medtronic Agreement"*.

Product Revenues

Product revenues related primarily to sales of FreeHold's intracorporeal organ retractors are recognized at a point-in-time upon the shipment of the product to the customer, and there are no significant estimates or judgments related to estimating the transaction price. The product revenues consist of a single performance obligation, and the payment terms are typically 30 days. Product revenues are recognized solely in the United States.

Stock-Based Compensation

The Company applies ASC 718-10, *Compensation — Stock Compensation*, which requires the measurement and recognition of compensation expenses for all stock-based payment awards made to employees and directors including employee stock options under the Company's stock plans based on estimated fair values (see Note 10 – "*Stock-Based Compensation*"). Each award vests over the subsequent period during which the recipient is required to provide service in exchange for the award (the "vesting period"). The cost of each award is recognized as an expense in the financial statements over the respective vesting period on a straight-line basis.

Under the requirements of ASU 2018-07, the Company accounts for stock-based compensation to nonemployees under the fair value method, which requires all such compensation to be calculated based on the fair value at the measurement date (generally the grant date) and recognized in the Company's condensed consolidated statements of operations and comprehensive loss over the requisite service period. The Company accounts for forfeitures of stock-based awards as they occur.

Series A Preferred Stock

The Company applies ASC 480-10, *Distinguishing Liabilities from Equity* ("ASC 480"), which requires an evaluation to determine if liability classification is required for redeemable convertible stock. Liability classification is required for freestanding financial instruments that are (1) subject to an unconditional obligation requiring the issuer to redeem the instrument by transferring assets, such as those that are mandatorily redeemable, (2) instruments other than equity shares that embody an obligation of the issuer to repurchase its equity shares, or (3) certain types of instruments that obligate the issuer to issue a variable number of equity shares.

Securities that do not meet the scoping criteria to be classified as a liability under ASC 480 are subject to redeemable equity guidance, which prescribes that securities that may be subject to redemption upon an event not solely within the Company's control should be classified as mezzanine equity. Securities classified in mezzanine equity are initially measured at the fair value, net of issuance costs and excluding the fair value of bifurcated embedded derivatives, if any. Subsequent measurement is required when the combined initial amount recorded in mezzanine equity and its related derivative liability is greater than the period end carrying amount. Adjustments to the carrying amount are charged to retained earnings (or additional paid in capital if there are no retained earnings) and do not affect net loss or comprehensive loss in the condensed consolidated financial statements. Subsequent measurement of the carrying value of the redeemable convertible preferred stock is also required when the instrument is probable of becoming redeemable. The Company will accrete the redeemable convertible preferred stock to its redemption value once the instrument is probable of becoming redeemable. In certain circumstances, the redemption price may vary based on changes in stock price, in which case the Company recognizes changes in the redemption value immediately as they occur and adjusts the carrying value of the security to equal the then current maximum redemption value at the end of each reporting period.

Derivative Liability

The Company evaluates all its financial instruments, including convertible debt and redeemable convertible preferred stock, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. The Company applies significant judgment to identify and evaluate complex terms and conditions in these contracts and agreements to determine whether embedded derivatives exist. Embedded derivatives must be separately measured from the host contracts if all the requirements for bifurcation are met. The assessment of the conditions surrounding the bifurcation of embedded derivatives depends on the nature of the host contract. Bifurcated embedded derivatives are recognized at fair value, with changes in fair value recognized in the condensed consolidated statements of operations and comprehensive loss at each reporting period end. Bifurcated embedded derivatives are classified as a separate liability in the condensed consolidated balance sheets.

The Company's derivative liability is related to the conversion features embedded in the Series A Preferred Stock. See Note 7 – *"Common and Preferred Stock"* for additional information.

Net Loss Per Share

Basic net loss per share is calculated by dividing net loss less the adjustment to carrying value of Series A Preferred Stock by the weighted-average number of shares of common stock of the Company ("Common Stock") outstanding for the period, without consideration of potential dilutive shares of Common Stock. Since the Company was in a loss position for the periods presented, basic net loss is the same as diluted net loss since the effects of potentially dilutive securities are antidilutive. Potentially dilutive securities include all outstanding warrants, stock options, Earnout Consideration (see Note 16 – *"Net Loss Per Share"*), unvested restricted stock awards, convertible preferred shares (see Note 7 – *"Common and Preferred Stock"*) and restricted stock units. Shares of Common Stock outstanding but subject to forfeiture and cancellation by the Company (e.g., the Forfeitable Shares (as defined in Note 16)) are excluded from the weighted-average number of shares until the period in which such shares are no longer subject to forfeiture. Pre-funded warrants (see Note 9 – *"Warrants"*) are considered outstanding for the purposes of computing basic and diluted net loss per share because shares may be issued for little or no additional consideration and are fully vested and exercisable after the original issuance date of the pre-funded warrant. In periods in which there is net income, the Company would apply the two-class method to compute net income per share. Under this method, earnings are allocated to common stock and participating securities based on their respective rights to receive dividends, as if all undistributed earnings for the period were distributed. The two-class method does not apply in periods in which a net loss is reported.

Income Taxes

The Company accounts for income taxes using the asset-and-liability method in accordance with ASC 740, *Income Taxes* ("ASC 740"). Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on the deferred tax assets and liabilities of a change in tax rate is recognized in the period that includes the enactment date. A valuation allowance is recorded if it is more-likely-than-not that some portion or all the deferred tax assets will not be realized in future periods. At March 31, 2026 and December 31, 2025, the Company recorded a full valuation allowance on its deferred tax assets.

The Company follows the guidance in ASC Topic 740 – 10 in assessing uncertain tax positions. The standard applies to all tax positions and clarifies the recognition of tax benefits in the financial statements by providing for a two-step approach of recognition and measurement. The first step involves assessing whether the tax position is more-likely-than-not to be sustained upon examination based upon its technical merits. The second step involves measurement of the amount to be recognized. Tax positions that meet the more-likely than-not threshold are measured at the largest amount of tax benefit that is greater than 50% likely of being realized upon ultimate finalization with the taxing authority. The Company recognizes the impact of an uncertain income tax position in the financial statements if it believes that the position is more likely than not to be sustained by the relevant taxing authority. The Company will recognize interest and penalties related to tax positions in income tax expense as applicable.

Defined Contribution Plan

The Company has a defined retirement savings plan under Section 401(k) of the Internal Revenue Code. This plan allows eligible employees to defer a portion of their annual compensation on a pre-tax basis. Effective January 1, 2023, the Company participates in a matching safe harbor 401(k) Plan with a Company contribution of up to 3.5% of each eligible participating employee's compensation. Safe harbor contributions vest immediately for each participant. During the three months ended March 31, 2026 and 2025, the Company made $164,000 and $120,000, respectively, in contributions under this safe harbor 401(k) Plan.

Comprehensive Loss

Comprehensive loss is comprised of net loss and changes in unrealized gains and losses on the Company's available-for-sale investments.

Segment Reporting

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is its Chief Executive Officer. The Company has determined it operates in one segment. For further discussion on Segment Reporting, see Note 15 - *"Segment Disclosures."*

New Accounting Standards

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses* ("ASU 2024-03") to improve the disclosures about a public business entity's expenses and address requests from investors for more detailed information about the types of expenses in commonly presented expense captions. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026. Early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2024-03 on its condensed consolidated financial statements.

3. Medtronic Agreement

In June 2022, Orchestra BioMed, Inc., BackBeat and Medtronic entered into the Medtronic Agreement for the development and commercialization of AVIM Therapy for the treatment of pacemaker-indicated patients with uncontrolled HTN despite the use of anti-hypertensive medications (the "Primary Field"). Under the terms of the Medtronic Agreement, the Company is sponsoring an ongoing multinational pivotal study, to support regulatory approval of AVIM Therapy in the Primary Field and is financially responsible for development, clinical and regulatory costs associated with this pivotal study. AVIM Therapy has been integrated into the Medtronic top-of-the-line, commercially available dual-chamber pacemaker system specifically for use in the pivotal trial and will provide development, clinical and regulatory resources in support of the pivotal trial, for which the Company will reimburse Medtronic at cost.

Under the terms of the Medtronic Agreement, Medtronic will have exclusive rights to commercialize AVIM-enabled pacing systems globally following receipt of regulatory approval. Medtronic would be entirely responsible for global commercialization following receipt of regulatory approvals, including manufacturing, sales, marketing and distribution costs.

The Company is expected to receive between $500 and $1,600 per AVIM-enabled device sold based on a formula of the higher of (1) a fixed dollar amount per AVIM-enabled device (amount varies materially on a country-by-country basis) or (2) a percentage of the AVIM Therapy-generated sales. Procedures using the AVIM-enabled pacemakers are expected to be billed under existing reimbursement codes.

Medtronic has a right of first negotiation through U.S. Food and Drug Administration ("FDA") approval of AVIM Therapy in the Primary Field, to expand its global rights to AVIM Therapy for the treatment of HTN patients not indicated for a pacemaker.

The Company assessed whether the Medtronic Agreement fell within the scope of ASC 808 and concluded that the Medtronic Agreement is a collaboration within the scope of ASC 808. In addition, the Company determined that Medtronic is a customer for a good or service that is a distinct unit of account, and therefore, the transactions in the Medtronic Agreement should be accounted for under ASC 606.

The Company has concluded that the license granted to Medtronic is not distinct from the development and implementation services that will be provided to Medtronic through the completion of the development of HTN indication, as Medtronic cannot obtain the benefit of the license without the related development and implementation services. ASC 606-10-55-65 includes an exception for the recognition of revenue relating to licenses of intellectual property with sales-based or usage-based royalties. Under this exception, royalty revenue is not recorded until the subsequent sale or usage occurs, or the performance obligation has been satisfied, whichever is later.

The Company concluded that the exemption applies and therefore, the royalty revenue associated with these performance obligations will be recognized as the underlying sales occur. Additionally, pursuant to the Medtronic Agreement, expenses incurred by Medtronic in connection with clinical device development and regulatory activities performed will be reimbursed by the Company. The Company will record such expenses as research and development expenses as incurred. During the three months ended March 31, 2026 and 2025, the Company incurred approximately $2.6 million and $3.4 million, respectively, of research and development costs related to these reimbursements pursuant to the Medtronic Agreement, of which $2.6 million is included within accounts payable and accrued expenses in the Company's March 31, 2026 condensed consolidated balance sheets.

Concurrently with the close of the Medtronic Agreement, Orchestra BioMed, Inc. also received a $40.0 million investment from Medtronic in connection with Orchestra BioMed, Inc.'s Series D-2 Preferred Stock financing. The equity was purchased at a fair value consistent with the price paid by other investors at that time, and accordingly, the proceeds received were recorded as an equity investment.

On July 31, 2025, Orchestra BioMed, Inc., BackBeat and Medtronic entered into an amendment to the Medtronic Agreement, which became effective on August 4, 2025 (the "Medtronic Agreement Amendment"), to provide, among other things, a development and commercialization framework for future AVIM-therapy integration into a dual-chamber leadless pacemaker. Pursuant to the Medtronic Agreement Amendment, the Company will, among other things, be required to reimburse Medtronic for certain expenses incurred in connection with the integration of AVIM-therapy into Medtronic's dual-chamber leadless pacemaker, up to a specified cap.

On July 31, 2025, the Company and its wholly-owned subsidiaries, Orchestra BioMed, Inc. and BackBeat, entered into a loan agreement with Medtronic, pursuant to which Medtronic agreed to extend a convertible loan to the Company in the aggregate original principal amount of $20.0 million. For additional details, see Note 14 – *"Debt Financing."*

Concurrently with the close of the Medtronic Agreement Amendment on August 4, 2025, Medtronic, through an affiliate, Covidien Group S.à.r.l. ("Covidien"), purchased 4,077,427 shares of Common Stock at a purchase price of $2.75 per share, for an aggregate purchase price of approximately $11.2 million, pursuant to a stock purchase agreement, dated as of July 31, 2025 and amended on August 1, 2025, between the Company and Covidien (as amended, the "Medtronic Stock Purchase Agreement"). Pursuant to the terms of the Medtronic Stock Purchase Agreement, Covidien purchased an additional 132,282 shares of Common Stock on August 28, 2025 at a purchase price of $2.75 per share, for an aggregate purchase price of $363,775, as a result of the exercise by the underwriters in the Public Offering (as defined below) of their option to purchase an additional 2,182,500 shares of Common Stock (See Note 7 – *"Common and Preferred Stock"*). The equity was purchased at a fair value consistent with the price paid by other investors at that time, and accordingly, the proceeds received were recorded as an equity investment.

Through March 31, 2026, there have been no amounts recognized as revenue under the Medtronic Agreement, as amended pursuant to the Medtronic Agreement Amendment (the "Amended Medtronic Agreement").

4. Financial Instruments and Fair Value Measurements

The following tables summarize the Company's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy:

	March 31, 2026			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Money market fund (included in Cash and cash equivalents)	$ 10,854	$ —	$ —	$ 10,854
Corporate and government debt securities (included in Marketable securities)	—	66,033	—	66,033
Total assets	**$ 10,854**	**$ 66,033**	**$ —**	**$ 76,887**
Liabilities				
Derivative liability (Note 8)	—	—	2,784	2,784
Total liabilities	**$ —**	**$ —**	**$ 2,784**	**$ 2,784**

	December 31, 2025			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets				
Money market fund (included in Cash and cash equivalents)	$ 12,789	$ —	$ —	$ 12,789
Corporate and government debt securities (included in Marketable securities)	—	71,822	—	71,822
Total assets	**$ 12,789**	**$ 71,822**	**$ —**	**$ 84,611**
Liabilities				
Derivative liability (Note 8)	—	—	2,749	2,749
Total liabilities	**$ —**	**$ —**	**$ 2,749**	**$ 2,749**

The Level 2 assets consist of government and corporate debt securities which are valued using market observable inputs, including the current interest rate and other characteristics for similar types of investments, whose fair value may not represent actual transactions of identical securities. There were no transfers between Levels 1, 2 or 3 for the periods presented.

The Level 3 liabilities consist of the derivative liability associated with the Series A Preferred Stock, of which the fair values were measured upon issuance of the Series A Preferred Stock and are remeasured to fair value at each reporting period. The valuation methodology and underlying assumptions are discussed further in Note 8 – *"Derivative Liability."* Significant change to the inputs used in determining the fair value would result in significant changes to the fair value measurement.

5. Marketable Securities and Strategic Investments

Marketable Securities

The following is a summary of the Company's marketable securities as of March 31, 2026 and December 31, 2025:

	March 31, 2026			
(in thousands)	Amortized Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
Corporate debt securities	$ 60,966	$ 9	$ (45)	$ 60,930
Government debt securities	5,107	—	(4)	5,103
Total	**$ 66,073**	**$ 9**	**$ (49)**	**$ 66,033**

	December 31, 2025			
(in thousands)	Amortized Cost Basis	Unrealized Gains	Unrealized Losses	Fair Value
Corporate debt securities	$ 69,308	$ 60	$ (2)	$ 69,366
Government debt securities	2,454	2	—	2,456
Total	**$ 71,762**	**$ 62**	**$ (2)**	**$ 71,822**

The Company believes it is more likely than not that its marketable securities in an unrealized loss position will be held until maturity or the recovery of the cost basis of the investment. To date, the Company has not recorded any allowance for credit losses on its investment securities. The Company determined that the unrealized losses were not attributed to credit risk but were primarily driven by the broader change in interest rates. As of March 31, 2026, $3.4 million of the Company's marketable securities had maturities of 12 to 36 months while the remaining marketable securities had maturities of less than 12 months.

For the three months ended March 31, 2026 and 2025, the Company did not recognize any realized gains or losses on its marketable securities.

Strategic Investments

The Company's long-term strategic investments as of December 31, 2025 represented investments made in Vivasure in 2022, 2021 and 2020 that were originally recorded at cost. There were no observable price changes, other than as described below, or impairments identified during the three months ended March 31, 2025 related to these investments.

On January 9, 2026, Haemonetics Corporation, a global medical technology company focused on delivering innovative solutions designed to improve patient outcomes, announced its acquisition of Vivasure. Vivasure was a strategic investment of the Company prior to its acquisition. In connection with the closing of the transaction, the Company can receive up to approximately $10.7 million of proceeds in 2026 associated with the transaction. In January, the Company received the initial upfront payment of $4.7 million and the remainder may be received in 2026 based on the achievement of a milestone. For the three months ended March 31, 2026, the Company recognized a gain on the sale of strategic investments of $2.2 million. The Company may receive additional proceeds in the future associated with revenue earnouts based on the achievement of certain milestones.

6. Balance Sheet Components

Property and Equipment, Net

Property and equipment, net consists of the following:

(in thousands)	March 31, 2026	December 31, 2025
Equipment	$ 2,951	$ 2,743
Office furniture	459	444
Leasehold improvements	159	159
Property and equipment, gross	3,569	3,346
Less accumulated depreciation and amortization	(1,721)	(1,631)
Total Property and equipment, net	**$ 1,848**	**$ 1,715**

As of March 31, 2026, $565,000 of equipment is not yet in service and has not yet commenced depreciation.

Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities consist of the following:

(in thousands)	March 31, 2026	December 31, 2025
Clinical trial accruals	$ 2,778	$ 4,151
Accrued compensation	1,150	4,160
Other accrued expenses	2,666	1,579
Total Accrued expenses and other liabilities	**$ 6,594**	**$ 9,890**

7. Common and Preferred Stock

Common Stock

The Company is authorized to issue up to 340,000,000 shares of Common Stock.

Preferred Stock

The Company is authorized to issue 10,000,000 shares of preferred stock with a par value of $0.0001 per share. The board of directors of the Company (the "Board") has the authority to issue preferred stock and to determine the rights, privileges, preferences, restrictions, and voting rights of those shares. As of March 31, 2026 and December 31, 2025, 200,000 shares of preferred stock were outstanding.

Series A Preferred Stock

On October 24, 2025, concurrent with the execution of the Termination and ROFR Agreement, the Company and Terumo Medical Corporation ("TMC") entered into a securities purchase agreement (the "Terumo Securities Purchase Agreement"), pursuant to which TMC purchased 200,000 shares of Series A Preferred Stock ("Preferred Shares") at a purchase price equal to $100.00 per share for gross proceeds to the Company of $20.0 million. The closing of the sale of the Preferred Shares pursuant to the Terumo Securities Purchase Agreement occurred on November 7, 2025.

The Series A Preferred Stock was accounted for as mezzanine equity in accordance with ASC 480 and the embedded conversion and redemption features were separated from the host instrument and recognized as derivative liability with change in fair value at each reporting period end recognized in the condensed consolidated statements of operations and comprehensive loss. (see Note 8 – *"Derivative Liability"*).

The Company utilized an option pricing valuation to determine the fair value of the Series A Preferred Stock at issuance. The valuation incorporated Level 3 inputs in the fair value hierarchy including the expected life of Series A Preferred Stock, expected volatility, and discount rate as well as probability-weighted outcomes. Assumptions used in the valuation also take into account the contractual terms as well as the quoted price of the Company's common stock in an active market. Significant changes in any of these inputs in isolation would result in significant changes to the fair value measurement.

A roll-forward of the Series A Preferred Stock activity is presented below for the three months ended March 31, 2026 (in thousands):

Beginning balance, January 1, 2026	**$**	**9,808**
Adjustment to carrying value of Series A Preferred Stock		(35)
Ending balance, March 31, 2026	**$**	**9,773**

At-the-Market Offering and Shelf Registration Statement

On August 12, 2024, the Company entered into a sales agreement (the "Sales Agreement") with TD Securities (USA) LLC, as agent ("TD Cowen"), pursuant to which the Company may offer and sell, from time to time through TD Cowen, up to $100.0 million of shares of Common Stock (the "Offering") by any method permitted by law and deemed to be an "at the market offering" as defined in Rule 415(a)(4) promulgated under the Securities Act. The Offering is being made pursuant to a shelf registration statement, filed with the SEC on May 15, 2024 and declared effective on May 24, 2024 (the "Shelf Registration Statement"), a base prospectus, dated May 24, 2024, included as part of the Shelf Registration Statement, and a prospectus supplement, dated August 12, 2024 filed with the SEC pursuant to Rule 424(b)(5) on August 12, 2024.

During the three months ended March 31, 2026, the Company sold 1,451,439 shares of Common Stock under the Sales Agreement resulting in aggregate gross proceeds to the Company of approximately $6.0 million and net proceeds to the Company of approximately $5.9 million. As of March 31, 2026, the Company had up to $92.4 million of Common Stock available to sell under the Sales Agreement.

8. Derivative Liability

The Company assessed the Series A Preferred Stock features to determine whether any features are required to be bifurcated and separately accounted for as an embedded derivative. The Company concluded that certain conversion and redemption features meet the requirements to be separately accounted for as a bifurcated derivative. The Series A Preferred Stock was accounted for as mezzanine equity in accordance with ASC 480 and the embedded conversion and redemption features were separated from the host instrument and recognized as derivative liabilities with change in fair value at each reporting period end recognized in the condensed consolidated statements of operations and comprehensive loss.

The Company performed a "with-and-without" scenario analysis to determine the fair value of the derivative liability by comparing the value of the Series A Preferred Stock including the bifurcated embedded derivatives to the value of the Series A Preferred Stock excluding them. The Company utilized an option pricing valuation with the expected life of Series A Preferred Stock, expected volatility, and discount rate as significant inputs as well as probability-weighted outcomes. Assumptions used in the valuation also take into account the contractual terms as well as the quoted price of the Common Stock in an active market. Significant changes in any of those inputs in isolation would result in significant changes to the fair value measurement.

The following table presents changes in Level 3 liabilities measured at fair value for three months ended March 31, 2026 (in thousands):

	March 31, 2026
Derivative liability, beginning of period	**$** 2,749
Change in the fair value of derivative liability	35
Derivative liability, end of period	**$ 2,784**

The option pricing valuation used to determine the fair value, used the following assumptions:

	March 31, 2026	December 31, 2025
Expected term (in years)	1.75	2.00
Expected volatility	77 %	80 %
Risk-free interest rate	3.69 %	3.41 %
Expected dividend yield	0 %	0 %
Market discount rate	15.78 %	14.79 %
Fair value of common stock	4.25	4.15

Each of these inputs is subjective and generally requires significant judgment and estimation by management:

Expected Term — The expected term represents the estimated time until the conversion or redemption events are achieved.

Expected Volatility — The Company derives volatility over the expected term using its own historical stock price volatility.

Risk-Free Interest Rate — The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date of the remeasurement and all thereafter for zero-coupon U.S. Treasury notes with maturities commensurate with the remaining term.

Expected Dividend Yield — The expected dividend yield is zero as the Company has not paid, and the Company does not anticipate paying, any dividends on the Common Stock in the foreseeable future.

Market Discount Rate – The Company utilizes the S&P corporate yield curve with a tenor commensurate with the expected term to estimate a discount rate applicable to the Company's credit risk.

Fair Value of Common Stock — The Company utilizes the price of its publicly-traded Common Stock as an input in determining the fair value of the derivative.

9. Warrants

The Company evaluates its outstanding warrants to determine if the instruments qualify for equity or liability classification.

Summarized Outstanding Warrants

The following table summarizes outstanding warrants to purchase shares of Common Stock as of March 31, 2026 and December 31, 2025:

	Number of Shares		Exercise Price	Remaining Term in Years
	March 31, 2026	December 31, 2025		
Equity-classified Warrants				
Pre-Funded Warrants[1]	5,136,363	5,136,363	$0.0001	N/A
Ligand Warrant (Note 13)	2,000,000	2,000,000	$3.67	9.34
Orchestra BioMed, Inc. Warrants[2]	507,841	507,841	$1.08 – $30.11	1.18 – 2.32
Hercules Warrants (Note 14)	167,598	167,598	$3.58	5.61
Avenue Warrants	27,707	27,707	$7.67	2.52
Non-employee Warrants (Note 10)	60,000	60,000	$4.69	3.92
Private Warrants Held by Sponsor[3]	750,000	750,000	$11.50	6.83
Officer and Director Warrants[4]	635,000	635,000	$11.50	6.83
Total Outstanding	9,284,509	9,284,509		

(1) In August 2025, the Company received $2.7499 per the Pre-Funded Warrant issued, or $14.1 million in aggregate proceeds. Each Pre-Funded Warrant may be exercised for $0.0001 per Pre-Funded Warrant.

(2) Represents warrants initially issued by Orchestra BioMed, Inc., which converted into warrants to acquire Common Stock in connection with the Business Combination (the "Orchestra BioMed, Inc. Warrants").

(3) The Sponsor purchased 1,500,000 warrants to purchase shares of HSAC2 in a private placement upon consummation of the HSAC2 initial public offering (the "Private Warrants"), 750,000 of which were forfeited by the Sponsor immediately prior to the closing of the Business Combination (the "Sponsor Forfeiture").

(4) Pursuant to the terms of the Business Combination, immediately following the Sponsor Forfeiture and prior to the closing of the Business Combination, HSAC2 issued 750,000 warrants to purchase Common Stock to eleven specified employees and directors of Orchestra (the "Officer and Director Warrants"). These Officer and Director Warrants have substantially similar terms to the forfeited Private Warrants, except they were subject to vesting provisions that expired in January 2026. There are fewer than 750,000 Officer and Director Warrants outstanding currently due to forfeitures by persons that resigned from the Company prior to the vesting of the Officer and Director Warrants.

10. Stock-Based Compensation

Orchestra BioMed Holdings, Inc. 2023 Equity Incentive Plan

On January 26, 2023, the Company adopted the Orchestra BioMed Holdings, Inc. 2023 Equity Incentive Plan (the "2023 Plan"), which permits the granting of incentive stock options, non-qualified options, stock appreciation rights, restricted stock, restricted stock units, performance awards and other stock-based award to employees, directors, and non-employee consultants and/or advisors. As of March 31, 2026, approximately 480,000 shares of Common Stock were authorized for issuance pursuant to awards under the 2023 Plan. The pool of available shares is automatically increased on the first day of each calendar year, beginning January 1, 2024 and ending January 1, 2032, by an amount equal to the lesser of (i) 4.8% of the outstanding shares of the Common Stock determined on a fully-diluted basis as of the immediately preceding December 31 and (ii) 3,036,722 shares of Common Stock, and (iii) such number of shares of Common Stock determined by the Board or the Compensation Committee prior to January 1st of a given year. Employees, consultants, and directors are eligible for awards granted under the 2023 Plan, which generally have a contractual life of up to 10 years and may be exercisable in cash or as otherwise determined by the Board. Vesting generally occurs over a period of not greater than four years.

Orchestra BioMed Holdings, Inc. 2025 New Hire Inducement Plan

In November 2025, the Company's Board of Directors adopted the 2025 New Hire Inducement Plan (the "Inducement Plan"). The Inducement Plan provides for the grant of nonstatutory stock options, stock appreciation rights, restricted stock, RSUs and other stock-based awards with respect to an aggregate of 950,000 shares of Common Stock (subject to adjustment as provided in the Inducement Plan). Awards under the Inducement Plan may only be granted to new employees who were not previously an employee or director of the Company or are commencing employment with the Company following a bona fide period of non-employment, in either case, as an inducement material to the individual's entering into employment with the Company and in accordance with the requirements of Nasdaq Stock Market Rule 5635(c)(4). In February 2026, the Company granted inducement equity awards to nine new employees as a material inducement to acceptance of their respective employment consisting of stock options to purchase up to an aggregate of 120,000 shares of the Common Stock. As of March 31, 2026, there were approximately 693,750 shares remaining available for future issuance under the Inducement Plan.

Stock-based Compensation Expense

Total stock-based compensation related to option issuances was as follows:

	Three Months Ended March 31,	
(in thousands)	**2026**	**2025**
Research and development	$ 494	$ 607
Selling, general and administrative	372	639
Total stock-based compensation	**$ 866**	**$ 1,246**

As of March 31, 2026, there was approximately $10.0 million of unrecognized stock-based compensation expense associated with the stock options noted above that is expected to be recognized over a weighted average period of approximately 3.1 years.

Total stock-based compensation related to restricted stock awards and restricted stock units was as follows:

	Three Months Ended March 31,	
(in thousands)	**2026**	**2025**
Research and development	$ 636	$ 465
Selling, general and administrative	1,278	950
Total stock-based compensation	**$ 1,914**	**$ 1,415**

As of March 31, 2026, there was approximately $11.0 million of unrecognized restricted stock-based compensation expense associated with the restricted stock noted above that is expected to be recognized over a weighted average period of approximately 2.5 years.

On February 28, 2025, the Company issued equity-classified warrants to purchase 60,000 shares of Common Stock at an exercise price of $4.69 per share to non-employee consultants. The warrants were issued as consideration for entering into an agreement for future services. At the grant date, 6,000 became exercisable while the remaining vested ratably over eight months. Assumptions used were an expected term (in years) of 2.84, expected volatility of 110.1%, risk-free interest rate of 3.99%, expected dividend yield of 0%, and the fair value of Common Stock of $3.12.

Total stock-based compensation related to warrants was as follows:

	Three Months Ended March 31,	
(in thousands)	**2026**	**2025**
Research and development	$ 32	$ 120
Selling, general and administrative	39	184
Total stock-based compensation	**$ 71**	**$ 304**

As of March 31, 2026, the stock-based compensation expense associated with the warrants noted above is fully recognized.

Stock Option Activity

The following table summarizes the stock option activity of the Company under the 2023 Plan and the Inducement Plan:

	Shares Underlying Options	Weighted Average Exercise Price	Weighted Average Remaining Term (years)	Aggregate Intrinsic Value (000s)
Outstanding at January 1, 2026	7,199,571	$ 6.23	7.08	$ 1,963
Granted	1,328,000	3.82	—	—
Exercised	(6,278)	4.06	—	4
Forfeited/canceled	(146,836)	6.13	—	—
Outstanding March 31, 2026	**8,374,457**	**$ 5.85**	**7.34**	**$ 2,679**
Exercisable at March 31, 2026	**4,461,304**	**$ 7.46**	**5.77**	**$ 43**

The weighted average grant-date fair value of stock options granted during the three months ended March 31, 2026 and 2025 was $3.27 and $3.76 per share, respectively.

Restricted Equity Awards Activity

The following table summarizes the restricted stock awards and restricted stock units activity of the Company under the 2023 Plan:

	Restricted Stock Awards/Units Outstanding	Weighted Average Grant Date Fair Value
Outstanding at January 1, 2026	2,300,651	$ 3.95
Granted	1,635,000	3.82
Vested	(215,988)	7.41
Forfeited/canceled	—	—
Outstanding March 31, 2026	3,719,663	$ 3.72

No performance-based restricted stock awards or units were granted during the three months ended March 31, 2026. The fair value of restricted stock units vested during the three months ended March 31, 2026 was $1.5 million.

Determination of Stock Option Awards Fair Value

The estimated grant-date fair value of all the Company's option awards was calculated using the Black-Scholes option pricing model, based on the following weighted average assumptions:

	Three Months Ended March 31,	
	2026	2025
Expected term (in years)	6.24	5.89
Expected volatility	112 %	79 %
Risk-free interest rate	3.80 %	4.40 %
Expected dividend yield	0 %	0 %
Fair value of common stock	3.27	3.76

The fair value of each stock option grant was determined by the Company using the methods and assumptions discussed below. Each of these inputs is subjective and generally requires significant judgment and estimation by management.

Expected Term — The expected term represents the period that stock-based awards are expected to be outstanding. The Company's historical share option exercise information is limited due to a lack of sufficient data points and did not provide a reasonable basis upon which to estimate an expected term. The expected term for option grants is therefore determined using the "simplified" method, as prescribed in the Securities and Exchange Commission's Staff Accounting Bulletin (SAB) No. 107. 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 — The Company derives volatility over the expected term using its own historical stock price volatility.

Risk-Free Interest Rate — The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date of grant for zero-coupon U.S. Treasury notes with maturities approximately equal to the stock-based awards' expected term.

Expected Dividend Yield — The expected dividend yield is zero as the Company has not paid, and the Company does not anticipate paying, any dividends on the Common Stock in the foreseeable future.

Fair Value of Common Stock — The Company utilizes the price of its publicly-traded Common Stock to determine the grant date fair value of awards.

11. Leases

Office Lease

In August 2024, the Company entered into an additional addendum to the lease agreement for office space in New Hope, PA originally entered into by Orchestra BioMed, Inc. in December 2009 (as amended, the "New Hope Lease"). The New Hope Lease covers 8,052 square feet and will expire in September 2027. Monthly fees under the New Hope Lease range between $17,000 and $19,000 for the period from the August 2024 addendum through expiration.

In November 2019, Orchestra BioMed, Inc. entered into a new lease agreement for approximately 5,200 square feet of office space in New York, NY. In November 2022, Orchestra BioMed, Inc. entered into an amendment for this lease which increased the office space square footage to approximately 7,800 and amended the expiration to April 2028. Monthly fees range between $28,000 and $40,000 for the period from commencement through expiration.

In September 2024, the Company entered into a new lease for 6,496 square feet of office space in Fort Lauderdale, Florida. The agreement will expire in December 2027. The monthly fees commenced in November 2024, the commencement date of the agreement, and range between $16,000 and $17,000 for the period from commencement through expiration.

Operating cash flow supplemental information for the three months ended March 31, 2026:

Cash paid for amounts included in the present value of operating lease liabilities was $257,000 during the three months ended March 31, 2026 compared to $244,000 during the three months ended March 31, 2025.

As of March 31, 2026:	
Weighted average remaining lease term – operating leases, in years	1.90
Weighted average discount rate – operating leases	9.92 %

Operating Leases

The components of lease expense were as follows:

	Three Months Ended March 31,	
(in thousands)	**2026**	**2025**
Fixed operating expense	$ 244	$ 259
Short-term lease expense	43	59
Variable lease expense	21	31
	$ 308	**$ 349**

Variable lease costs consist primarily of common area maintenance costs, insurance and taxes which are paid based upon actual costs incurred by the lessor. The table below shows the future minimum rental payments, exclusive of taxes, insurance, and other costs, under the leases as of March 31, 2026:

Year ending December 31:	Operating Leases (in thousands)
2026 (remaining nine months)	$ 670
2027	829
2028	158
2029	—
2030	—
Thereafter	—
Total future minimum lease payments	$ 1,657
Imputed interest	(142)
Total liability	**$ 1,515**

12. Related Party Transactions

In addition to transactions and balances related to cash and stock-based compensation to officers and directors, the Company had the following transactions and balances with related parties during the year ended December 31, 2025:

As part of the Public Offering, on August 4, 2025, (i) entities associated with RTW Investments, LP (collectively, "RTW"), which beneficially owned approximately 21% of the Common Stock immediately prior to the Public Offering, purchased Pre-Funded Warrants exercisable for 3,636,363 shares of Common Stock and (ii) Perceptive Life Sciences Master Fund, Ltd, which beneficially owned approximately 12% of the Common Stock immediately prior to the Public Offering, purchased Pre-Funded Warrants exercisable for 1,500,000 shares of Common Stock.

In addition, transactions between the Company and Medtronic are disclosed in both Note 3 – *"Medtronic Agreement"* and Note 14 – *"Debt Financing."*

The Company had no other transactions or balances with current related parties during the three months ended March 31, 2026.

13. Royalty Purchase Agreement

On July 31, 2025, the Company entered into a revenue participation right purchase and sale agreement (the "Royalty Purchase Agreement") with Ligand Pharmaceuticals Incorporated ("Ligand"). Under the terms of the Royalty Purchase Agreement, in exchange for payment of $35.0 million (the "Investment Amount"), less certain reimbursable expenses, Ligand acquired the right to receive tiered royalty payments from the Company (the "Royalty Interest") with respect to revenue (including certain licensing revenue) received by the Company in a calendar year in connection with worldwide net product sales, or other product revenue received, by the Company and its licensees ("Annual Net Sales") of (a) AVIM Therapy (the "Primary Product") and (b) Virtue SAB (the "Secondary Product" and together with the Primary Product, the "Products") in the field of coronary artery treatment.

Pursuant to the Royalty Purchase Agreement, the Investment Amount shall be paid in two tranches: (i) $20.0 million was paid on August 4, 2025 (the "Ligand Closing") and (ii) $15.0 million was payable and received on May 1, 2026 (the "Second Installment"), provided certain conditions have been met. In repayment of the Investment Amount, the Company will remit 17.0% of revenues related to the Products until an annual total of $17.0 million has been remitted to Ligand, thereafter the Company will remit (a) 4.0% of revenues related to the Primary Product in the field of hypertension treatment and (b) 4.0% of revenues related to the Secondary Product in the field of coronary artery treatment. In addition, under the terms of the Royalty Purchase Agreement, unless and until Ligand pays the Second Installment, Ligand shall only be entitled to 57.1% of the amounts it would otherwise be due under the Royalty Purchase Agreement. However, regardless of whether the Second Installment has been paid, under the terms of the Royalty Purchase Agreement, the percentages referenced in the second sentence of this paragraph will incrementally increase from 17.0% and 4.0% up to 20.0% and 7.0%, respectively, if the Company does not achieve certain enrollment milestones relating to the BACKBEAT clinical study through January 1, 2027.

The Royalty Interest in respect of Annual Net Sales of the Products will end on the date in which no Product is being developed or commercialized by or on behalf of the Company, any of its affiliates, or any of its or their licensees or distributors and Ligand has received the last Royalty Interest payment payable under the terms of the Royalty Purchase Agreement. The obligations arising under the Royalty Purchase Agreement are secured by security interests in, and pledges over, the Royalty Interest, the Revenue Participation Right (as defined in the Royalty Purchase Agreement) and the Company's interests in the Products and associated intellectual property rights, subject to certain agreed security principles, permitted liens and other customary exceptions and qualifications, and the security interests in the Products and associated intellectual property rights of the Company are subordinate in right of payment to the prior payment in full of the outstanding indebtedness under the 2024 LSA (as defined below). The Royalty Purchase Agreement contains customary representations, warranties and indemnities of the Company and Ligand, and customary covenants on the part of the Company.

In connection with the sale of the Royalty Interest, and pursuant to the terms of the Royalty Purchase Agreement, on August 4, 2025, the Company issued to Ligand a warrant (the "Ligand Warrant") to purchase up to 2,000,000 shares of the Common Stock (the "Ligand Warrant Shares"), at an exercise price equal to $3.67 per share. The exercise price of the Ligand Warrant and the number of Ligand Warrant Shares issuable upon exercise of the Ligand Warrant are subject to adjustments for stock splits, combinations, stock dividends or similar events. Pursuant to the terms of the Ligand Warrant, the Ligand Warrant Shares shall vest and become exercisable as follows: (i) 1,142,857 of the Ligand Warrant Shares (the "First Tranche") vested upon issuance; and (ii) 857,143 of the Ligand Warrant Shares will vest on the date of payment of the Second Installment. In the event that the Second Installment is not paid, the Ligand Warrant shall only be exercisable with respect to the First Tranche. The Ligand Warrant is exercisable for ten years from the date of issuance.

The Company accounted for its sale of royalty revenues to Ligand, pursuant to the Royalty Purchase Agreement, in accordance with ASC 470, *Debt*, which addresses situations in which an entity receives cash from an investor in return for an agreement to pay the investor a specified percentage of the revenue from a contractual right. The Company classified the proceeds received from the sale to Ligand as debt as the Company determined that it had significant continuing involvement in the generation of the cash flows to Ligand. Interest related to the Royalty Purchase Agreement will be recognized utilizing the effective interest method over the estimated term. When the Company receives the Second Installment, such Second Installment will also be recorded as a liability related to the sale of future royalties when they are received and amortized under the effective interest method over the estimated remaining term of the Royalty Purchase Agreement.

The Company's estimate of this total interest expense associated with the Royalty Interest resulted in an effective annual interest rate of approximately 23.3% as of March 31, 2026 and 23.1% as of December 31, 2025. This estimate contains significant assumptions that impact the interest expense that will be recognized over the royalty period. The Company will periodically assess the estimated amounts due and payable to Ligand and to the extent the amount or timing of such payments is materially different than the original estimates, an adjustment will be recorded prospectively to the condensed consolidated statements of operations and comprehensive loss. There are a number of factors that could materially affect the amount and timing of the royalty payments to be paid by the Company to Ligand and, correspondingly, the amount of interest expense recorded by the Company.

The following table shows the activity of the Royalty Purchase Agreement for the three months ended March 31, 2026 (in thousands):

		March 31, 2026
Beginning balance, January 1, 2026	$	16,482
Non-cash interest expense on liability		1,305
Ending balance, March 31, 2026	$	17,787

14. Debt Financing

2025 Medtronic Loan Agreement

On July 31, 2025, the Company and its wholly-owned subsidiaries, Orchestra BioMed, Inc. and BackBeat, entered into a Loan Agreement with Medtronic (the "Medtronic Loan Agreement"), pursuant to which Medtronic agreed to extend a convertible loan to the Company in the aggregate original principal amount of $20.0 million (the "Medtronic Loan"). The Medtronic Loan is evidenced by a secured subordinated convertible promissory note (the "Medtronic Note") of the Company. The issuance of the Medtronic Note to Medtronic and the funding of the Medtronic Loan was received on May 1, 2026 pursuant to the conditions described in the Medtronic Loan Agreement.

The Medtronic Note will accrue simple interest at a rate of 11% per annum provided that no interest payments will be paid or due until maturity. The Medtronic Note does not allow for prepayment without the prior consent of Medtronic. Unless earlier converted, or redeemed, the Medtronic Note will mature on April 27, 2031 (the "Repayment Date"). In addition, the payment or other satisfaction of the obligations set forth in the Medtronic Loan Agreement are subordinate in right of payment to the prior payment in full of the senior obligations. The obligations arising under the Medtronic Loan Agreement and the Medtronic Note are secured by security interests in, and pledges over, the Company's assets, subject to certain agreed security principles, permitted liens and other customary exceptions and qualifications.

The principal balance of the Medtronic Note, together with all accrued and unpaid interest thereon (collectively, the "Balance") will automatically convert into a revenue share (the "Revenue Share Credit"), if FDA approval of a Medtronic device incorporating AVIM is achieved prior to the Repayment Date. Upon conversion of the then outstanding Balance the Company shall pay to Medtronic the Revenue Share Credit, which shall equal 15% of the revenue share amounts that the Company receives under the Amended Medtronic Agreement, until such time as the total Revenue Share Credit payments equal $40.0 million.

The Medtronic Loan Agreement contains customary representations, warranties and affirmative and negative covenants. In addition, the Medtronic Loan Agreement contains customary events of default that entitle Medtronic to cause the Company's indebtedness under the Note to become immediately due and payable, and to exercise remedies against the Company and the collateral securing the Loan. Upon the occurrence and for the duration of an event of default, an additional default interest rate equal to 2.0% per annum may apply to all obligations owed under the Loan Agreement.

The proceeds from the Medtronic Loan Agreement were not received as of the balance sheet date. Therefore, they were not included in the principal payments table below nor included in the condensed consolidated balance sheets. However, the proceeds were received prior to the filing of this Quarterly Report.

2024 Loan and Security Agreement

On November 6, 2024 (the "LSA Closing Date"), the Company and certain of its subsidiaries (together with the Company, the "Borrower") entered into a Loan and Security Agreement, by and among the Borrower, the several banks and other financial institutions or entities party thereto, as lenders (collectively, the "Hercules Lenders"), and Hercules Capital, Inc. ("Hercules"), as administrative agent and collateral agent for itself and the Hercules Lenders, as amended by that certain First Amendment to Loan and Security Agreement dated as of December 30, 2024, Second Amendment to Loan and Security Agreement dated as of July 31, 2025 and Third Amendment to the Loan and Security Agreement, dated as of April 6, 2026 (as amended, the "2024 LSA").

The 2024 LSA provides a secured term loan facility of up to $50.0 million in up to two tranches (collectively, the "Term Loans"), with the first tranche of $15.0 million drawn on the LSA Closing Date, and a second tranche of up to $35.0 million that may be borrowed by the Company in the discretion of the lender's investment committee.

Under the terms of the 2024 LSA, the initial date upon which the Company has to begin amortizing the Term Loans is June 1, 2028. The Term Loans accrue interest at a floating per annum rate equal to the greater of (i) (x) the "prime rate" as reported in The Wall Street Journal plus (y) 2.0%, and (ii) 9.50%. The repayment terms of the Term Loans include monthly payments over a 4-year period, consisting of an interest-only period expiring June 1, 2028, followed by six monthly principal payments plus interest. At the Company's option, the Company may prepay all or a portion of the outstanding Term Loans, subject to a prepayment premium equal to (a) 3.0% of the Term Loans being prepaid if the prepayment occurs during the twelve months following the LSA Closing Date, (b) 2.0% of the Term Loans being prepaid if the prepayment occurs after 12 months following the LSA Closing Date but on or prior to 24 months following the LSA Closing Date, and (c) 1.0% of the Term Loans being prepaid if the prepayment occurs after 24 months following the LSA Closing Date and prior to the maturity date. In addition, the Company will pay an end of term charge of 6.35% of the principal amount of the Term Loans upon the prepayment or repayment of the Term Loans and a facility charge of 0.75% upon any draws of the Term Loans.

In connection with the entry into the 2024 LSA, on the LSA Closing Date, the Company issued each of the Hercules Lenders a warrant to purchase Common Stock, which warrants were amended effective August 4, 2025 in connection with the Second Amendment to Loan and Security Agreement (as amended, each a "Hercules Warrant" and, collectively, the "Hercules Warrants"). Pursuant to the terms of the Hercules Warrants, each Hercules Lender can purchase that number of shares of Common Stock equal to (i)(x) 0.04, multiplied by (y) the aggregate principal amount of all Term Loan Advances (as defined in the 2024 LSA) made to the Company by the applicable Lender, divided by (ii) $3.58, which is the exercise price of the Hercules Warrants. Each Hercules Warrant is exercisable for seven years from the LSA Closing Date.

The 2024 LSA includes customary affirmative and negative covenants and representations and warranties, including a covenant against the occurrence of a "change in control," financial reporting obligations, and certain limitations on indebtedness, liens, investments, distributions (including dividends), collateral, transfers, mergers or acquisitions, taxes, corporate changes, and bank accounts. The 2024 LSA also includes customary events of default, including payment defaults, breaches of covenants following any applicable cure period, the occurrence of certain events that could reasonably be expected to have a "material adverse effect" as set forth in the 2024 LSA, cross acceleration to third-party indebtedness and certain events relating to bankruptcy or insolvency. Upon the occurrence of an event of default, Hercules may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the 2024 LSA.

The Company must maintain Qualified Cash (as defined in the 2024 LSA), beginning on January 1, 2027 (subject to being extended to as late as January 1, 2028 depending on the Company's receipt of specified net cash proceeds from specified sources), in an amount greater than or equal to (x) the outstanding principal amount of the Term Loan Advances, multiplied by (y) the applicable Cash Coverage Percentage (as defined in the 2024 LSA), which percentage ranges from a minimum of 45% to a maximum of 75% of Term Loan Advances, depending upon the amount of Qualified Cash.

The following table shows the amount of principal payments due pursuant to the Term Loans by year:

Year ending December 31:	Principal Payments (in thousands)
2026 (remaining nine months)	$ —
2027	5,056
2028	9,944
2029	—
Total	**$ 15,000**

Total interest expense recorded on these facilities during the three months ended March 31, 2026 and 2025 was approximately $480,000 and $462,000, respectively.

15. Segment Disclosures

The Company has one reportable segment, which consists of the development of clinical and preclinical product candidates through risk-reward sharing partnerships with leading medical device companies. The Company's CODM, its Chief Executive Officer, manages the Company's operations on a consolidated basis for the purpose of assessing performance and allocating resources based on net loss that also is reported on the condensed consolidated statement of operations and comprehensive loss as consolidated net loss. Net loss is used by the CODM to make key strategic and operational decisions. The measure of segment assets is reported on the condensed consolidated balance sheets as total consolidated assets. The majority of the Company's long-lived assets are held in the United States.

The following table presents selected financial information, including significant expenses regularly reviewed by the CODM, about the Company's single operating segment for the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31,	
	2026	2025
(in thousands)		
Partnership revenue	$ —	$ 732
Product revenue	110	136
Expenses:		
Cost of product revenues	32	44
Non-clinical development costs	4,050	4,465
Clinical development costs	3,574	2,942
Personnel and consulting costs	8,788	6,664
Stock-based compensation	2,851	2,965
Depreciation and amortization expense	90	83
Other segment expenses[(1)]	595	2,626
Interest expense (income), net	821	(166)
Net loss	$ (20,691)	$ (18,755)

(1) Other segment expenses primarily include the gain on the sale of strategic investments as well as general and administrative costs not presented in other line items.

16. Net Loss Per Share

Basic net loss per share of Common Stock is computed by dividing net loss less any adjustment to the carrying value of Series A Preferred Stock by the weighted-average number of shares of Common Stock which includes the weighted average effect of the Pre-Funded Warrants, for the purchase of shares of Common Stock, for which the remaining unfunded exercise price is $0.0001 per share. Shares of Common Stock outstanding but subject to forfeiture and cancellation by the Company are excluded from the weighted-average number of shares until the period in which such shares are no longer subject to forfeiture. In connection with the Business Combination, the Sponsor agreed that 25% or 1,000,000 of the shares of Common Stock held by the Sponsor (the "Forfeitable Shares") will be forfeited to the Company on the first business day following the fifth anniversary of the closing of the Business Combination (the "Closing"), unless, as to 500,000 shares, the volume-weighted average price of the Common Stock is greater than or equal to $15.00 per share over any 20 trading days within any 30-trading day period (the "Initial Milestone Event"), and as to the remaining 500,000 shares, the volume-weighted average price of the Common Stock is greater than or equal to $20.00 per share over any 20 trading days within any 30-trading day period (the "Final Milestone Event"). On April 12, 2023, the Initial Milestone Event was achieved and 500,000 of the Forfeitable Shares are no longer subject to forfeiture. However, the Final Milestone event has not occurred, and 500,000 Forfeitable Shares remain subject to forfeiture.

In connection with the Business Combination, existing Orchestra BioMed, Inc. stockholders had the opportunity to elect to participate in an earnout (the "Earnout") pursuant to which such each electing stockholder (each, an "Earnout Participant") may receive a portion of additional contingent consideration of up to 8,000,000 shares of Common Stock (the "Earnout Consideration"). Each Earnout Participant agreed to extend their applicable lock-up period from 6 months to 12 months after the Closing, pursuant to an Earnout Election Agreement and such Earnout Participants are collectively be entitled to receive: (i) 4,000,000 shares of the Earnout Consideration, in the event that, from the time beginning immediately after the Closing until the fifth anniversary of the Closing (the "Earnout Period"), the Initial Milestone Event occurs; and (ii) an additional 4,000,000 shares of the Earnout Consideration, in the event that, during the Earnout Period, the Final Milestone Event occurs. Approximately 91% of Orchestra BioMed, Inc. stockholders elected to participate in the Earnout. On April 12, 2023, the Initial Milestone Event was achieved, and each Earnout Participant was issued their Pro Rata Portion (as such term is defined in the merger agreement for the Business Combination) of 4,000,000 shares of Common Stock, resulting in a total of 3,999,987 shares of Common Stock being issued (less than 4,000,000 due to rounding).

Diluted net loss per share of Common Stock includes the effect, if any, from the potential exercise or conversion of securities, such as stock options, Orchestra BioMed, Inc. Warrants, Private Warrants, Officer and Director Warrants, Forfeitable Shares, Earnout Consideration, and Series A Preferred Stock, using the if-converted method, which would result in the issuance of incremental shares of Common Stock, unless their effect would be anti-dilutive.

The following outstanding potentially dilutive securities have been excluded from the calculation of diluted net loss per share for the three months ended March 31, 2026 and March 31, 2025, as their effect is anti-dilutive:

	Three Months Ended March 31,	
	2026	2025
Stock options	8,374,457	5,736,334
Common stock warrants	4,148,146	2,057,812
Unvested restricted stock units	3,719,663	1,926,453
Series A Preferred Stock	1,666,666	—
Forfeitable Shares	500,000	500,000
Earnout Consideration	4,000,000	4,000,000
Total	**22,408,932**	**14,220,599**

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Unless otherwise indicated or the context otherwise requires, references to "Orchestra," "Orchestra's," the "Company," "we," "its" and "our" refer to Orchestra BioMed Holdings, Inc. and its consolidated subsidiaries. All references to years, unless otherwise noted, refer to the Company's fiscal years, which end on December 31.

The following discussion should be read together with "Special Note Regarding Forward-Looking Statements" and the Company's unaudited condensed consolidated financial statements, together with the related notes thereto, included elsewhere in this Quarterly Report on Form 10-Q (the "Consolidated Financial Statements"), and the Company's audited consolidated financial statements, together with the related notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 12, 2026.

Overview

We are a biomedical innovation company accelerating high-impact technologies to patients through risk-reward sharing partnerships with leading medical device companies. Our partnership-enabled business model focuses on forging strategic collaborations with leading medical device companies to drive successful global commercialization of products we develop. We are led by a highly accomplished, multidisciplinary management team and a board of directors with extensive experience in all phases of therapeutic device development. Our business was formed in 2018 by assembling a pipeline of multiple late-stage clinical product candidates originally developed by our founding team.

Our two flagship product candidates – Atrioventricular Interval Modulation Therapy ("AVIM Therapy") and Virtue® Sirolimus AngioInfusion™ Balloon ("Virtue SAB") – are currently undergoing pivotal clinical trials for their lead indications, each representing multi-billion-dollar annual global market opportunities.

AVIM Therapy is a bioelectronic treatment for hypertension ("HTN"), the leading risk factor for death worldwide, and is designed to be delivered by a pacemaker and achieve immediate, substantial and sustained reductions in blood pressure in patients with hypertensive heart disease. We have an exclusive license and collaboration agreement with Medtronic Inc. (an affiliate of Medtronic plc) ("Medtronic"), one of the largest medical device companies in the world and the global leader in cardiac pacing therapies, for the development and commercialization of AVIM Therapy for the treatment of uncontrolled HTN in patients indicated for a cardiac pacemaker. We are actively conducting a double-blind, randomized, global pivotal trial (the "BACKBEAT Trial"), enrolling up to 316 patients with uncontrolled hypertension who are indicated for a dual-chamber pacemaker, with enrollment currently targeted to be completed by the end of the third quarter of 2026. AVIM Therapy has FDA Breakthrough Device Designations ("BDDs") for these patients, as well as an estimated 7.7 million total patients in the U.S. with uncontrolled hypertension despite medical therapy and increased cardiovascular risk.

Virtue SAB is a highly differentiated, first-of-its-kind non-coated drug delivery angioplasty balloon system designed to deliver a large liquid dose of proprietary extended-release formulation of sirolimus, SirolimusEFR™, for the treatment of atherosclerotic artery disease, the leading cause of mortality worldwide. Virtue SAB has been granted BDD by the FDA for the treatment of coronary in-stent restenosis, coronary small vessel disease and below-the-knee peripheral artery disease, in each case, within specified parameters. We initiated patient enrollments in the Virtue SAB in the Treatment of Coronary In-Stent Restenosis ("ISR") Trial (the "Virtue Trial") for our U.S. investigational device exemption ("IDE") pivotal study randomizing Virtue SAB vs. Boston Scientific Corporation's AGENT™ drug-coated balloon. Designed to support regulatory approval of Virtue SAB, the Virtue Trial is expected to enroll 740 patients in the United States with enrollment completion currently planned for 2027. We cannot provide assurance that we will be able to complete enrollment of the BACKBEAT Trial or the Virtue Trial in the timeframes we anticipate.

Since Orchestra BioMed, Inc.'s inception, we have devoted the substantial majority of our resources to performing research and development and clinical activities in support of our product development and collaboration efforts. We have funded our operations primarily through the issuance of our common stock, convertible preferred stock, and warrants, as well as proceeds from the Business Combination, our prior Terumo Agreement (as defined below) and the Termination and ROFR Agreement (as defined below), borrowings under debt arrangements, the sale of future revenues, sale of strategic investments, and, to a lesser extent, from product revenue from our subsidiary, FreeHold Surgical, LLC. ("FreeHold"). As of March 31, 2026, we have raised a cumulative $367.2 million in gross proceeds. In May 2026, we received $20.0 million pursuant to the Medtronic Loan Agreement (as such term is defined in Note 14 to the condensed consolidated financial statements – *"Debt Financing"*), and $15.0 million from Ligand pursuant to the revenue participation right purchase and sale agreement (the "Royalty Purchase Agreement") we entered into with Ligand Pharmaceuticals Incorporated ("Ligand")(see Note 13 to the condensed consolidated financial statements – *"Royalty Purchase Agreement"*). We have incurred net losses each year since inception. Our net losses were $20.7 million and $18.8 million for the three months ended March 31, 2026 and 2025, respectively. We expect to continue to incur significant losses for the foreseeable future. As of March 31, 2026, we had an accumulated deficit of $383.3 million.

Orchestra BioMed, Inc., our wholly owned subsidiary, was incorporated in Delaware in 2017 and completed a recapitalization and mergers with Caliber Therapeutics, Inc., a Delaware corporation that has, among other things, the rights to the Virtue SAB product candidate and BackBeat Medical, Inc., a Delaware Corporation that has, among other things, the rights to the AVIM Therapy product candidate, in 2018. Orchestra BioMed, Inc. completed the conversions of Caliber Therapeutics, Inc. to Caliber Therapeutics, LLC, a Delaware limited liability company, and BackBeat Medical, Inc. to BackBeat Medical, LLC, a Delaware limited liability company, in 2019.

We were incorporated in the Cayman Islands in 2020, as a special purpose acquisition company under the name Health Sciences Acquisitions Corporation 2 ("HSAC2"). On January 26, 2023, Orchestra BioMed, Inc., our wholly owned subsidiary, and HSAC2 consummated a business combination pursuant to which, among other things, Orchestra BioMed, Inc. became a wholly owned subsidiary of HSAC2 and HSAC2 changed its name to Orchestra BioMed Holdings, Inc. (the "Business Combination"). HSAC2 Holdings, LLC was the sponsor of HSAC2 prior to the Business Combination.

Recent Developments

Orchestra BioMed Presented AVIM Therapy Clinical and Mechanistic Data at HRS 2026

On April 23, 2026, we announced the presentation of new clinical data related to our AVIM Therapy at the Heart Rhythm Society 2026 Annual Meeting. Data from the MODERATO II randomized, prospective, multi-center, double-blind, controlled pilot study demonstrated that activation of AVIM Therapy was associated with an immediate mean reduction of 13.2 mmHg in office systolic blood pressure ("oSBP") prior to randomization. In addition, 97% of patients experienced a reduction of at least 5 mmHg in oSBP. At six months, mean ambulatory systolic blood pressure ("aSBP") was 125.2 mmHg, with 89% of patients achieving aSBP below 140 mmHg, the current oSBP treatment goal according to European Society of Cardiology guidelines, and 58% achieving aSBP below 130 mmHg, the more stringent U.S. oSBP treatment goal according to American Heart Association and American College of Cardiology guidelines. Sustained reductions in aSBP were also observed through up to 3.6 years of follow-up in a sub-cohort of patients.

Additional data presented from a pressure-volume loop analysis study in patients with uncontrolled hypertension indicated that AVIM Therapy reduced systolic blood pressure through decreases in cardiac preload and effective arterial elastance (afterload), without a significant reduction in left ventricular contractility. The study also reported reductions in end diastolic volume, end diastolic pressure, end systolic volume, stroke work, and total peripheral resistance, without a significant change in stroke volume.

FDA Grants Orchestra BioMed Additional Breakthrough Device Designation for AVIM Therapy

We now hold two Breakthrough Device Designations ("BDDs") for AVIM Therapy. On April 30, 2026, we announced that the U.S. Food and Drug Administration ("FDA") granted AVIM Therapy a second BDD for the treatment of patients with uncontrolled hypertension despite the use of anti-hypertensive medications and an indication for a pacemaker. This population includes the pacemaker-indicated population being evaluated in our BACKBEAT Trial. The first granted BDD applies to patients with increased ten-year atherosclerotic cardiovascular disease ("ASCVD") risk, preserved left ventricular systolic function, and uncontrolled hypertension, despite the use of anti-hypertensive medications or in patients who may have intolerance to anti-hypertensive medications. Based on the indications specified in both BDDs, we estimate that the addressable U.S. patient population for AVIM Therapy exceeds 7.7 million adults with hypertension despite medication. The FDA Breakthrough Devices Program, which reflects the FDA's commitment to device innovation and protecting public health, is designed to expedite the development of and provide priority review for innovative medical technologies that have the potential to significantly improve outcomes for patients with serious or life-threatening conditions. To be eligible for this designation, a device must demonstrate the potential to provide more effective treatment or diagnosis of a life-threatening or irreversibly debilitating condition. In addition, the device must meet at least one of the following criteria: it must represent breakthrough technology, have no approved or cleared alternatives, offer significant advantages over existing options, or be determined by the FDA to be in the best interest of patients. Beyond regulatory acceleration, the BDD may also support favorable reimbursement pathways, including eligibility for incremental inpatient reimbursement through the New Technology Add-on Payment and outpatient Transitional Pass-Through payments under the Centers for Medicare & Medicaid Services programs. These mechanisms may help facilitate more timely access to breakthrough technologies while supporting provider adoption and patient access.

BACKBEAT Trial Timeline Update

On May 11, 2026, we announced we are targeting completion of enrollment for the BACKBEAT Trial by the end of the third quarter of 2026. Further, we and Medtronic, our strategic collaborator for the BACKBEAT Trial and the commercialization of AVIM Therapy for the treatment of uncontrolled hypertension in patients indicated for a pacemaker, plan to submit the primary endpoint data for a late-breaking clinical trial presentation at a major cardiovascular conference in the second quarter of 2027. Lastly, assuming primary safety and efficacy endpoints are met, Medtronic plans to submit a marketing application for FDA approval after primary endpoint data analyses and reports are complete, and subsequently to pursue global regulatory approvals.

The updated BACKBEAT Trial timeline is supported by FDA approval of a reduction in the sample size for the clinical trial to a target total of 284 evaluable randomized subjects with the total enrollment target of 316 patients accounting for potential loss to follow up. The primary efficacy endpoint (between-group difference in 24-hour aSBP at 3-month follow up) and primary safety endpoint (freedom from unanticipated serious adverse device events in the AVIM Therapy arm at 3-month follow up) remain robustly powered (>90% statistical power) at the revised sample size for the trial. The sample size is designed to detect a between group difference of at least 5 mmHg in aSBP. The change in sample size reflects collaboration among Medtronic, the FDA and us under the Breakthrough Devices program, and follows FDA approval of an amendment to the BACKBEAT Trial protocol received by us on May 8, 2026.

Components of Our Results of Operations

Partnership Revenue

Previously, our partnership revenues related to our former distribution agreement with Terumo Corporation ("Terumo Corporation") and Terumo Medical Corporation ("TMC" and, collectively with Terumo Corporation, "Terumo") for global development and commercialization of Virtue SAB in coronary and peripheral vascular indications (the "Terumo Agreement"). In future periods, partnership revenues may include revenues related to the Exclusive License and Collaboration Agreement, dated as of June 30, 2022, by and among, Orchestra BioMed, Inc., BackBeat Medical, LLC and Medtronic, discussed in Note 3 – *"Medtronic Agreement"* to the Consolidated Financial Statements.

Orchestra BioMed, Inc., and its wholly owned subsidiary BackBeat, entered into an Exclusive License and Collaboration Agreement, dated as of June 30, 2022, with Medtronic for the development and commercialization of AVIM Therapy for the treatment of pacemaker-indicated patients with uncontrolled HTN despite the use of anti-hypertensive medications (the "Medtronic Agreement"). On July 31, 2025, our wholly owned subsidiaries, Orchestra BioMed, Inc. and BackBeat, and Medtronic entered into an amendment to the Medtronic Agreement, which became effective on August 4, 2025 (the "Medtronic Agreement Amendment"), to provide, among other things, a development and commercialization framework for future AVIM-therapy integration into a dual-chamber leadless pacemaker. Pursuant to the Medtronic Agreement Amendment, we will be required, among other things, to reimburse Medtronic for certain expenses incurred in connection with the integration of AVIM-therapy into Medtronic's dual-chamber leadless pacemaker, up to a specified cap, to the extent Medtronic elects to pursue such integration.

We have determined that the arrangement set forth in the Medtronic Agreement as amended by the Medtronic Agreement Amendment (the "Amended Medtronic Agreement") is a collaboration within the scope of ASC 808, Collaborative Arrangements ("ASC 808"). In addition, we concluded that Medtronic is a customer for a good or service that is a distinct unit of account, and therefore, the transactions set forth in the Amended Medtronic Agreement should be accounted for under ASC 606. Through March 31, 2026, there have been no amounts recognized as revenue under the Amended Medtronic Agreement.

Product Revenue

Product revenues related to sales of FreeHold's intracorporeal organ retractors and such revenues are recognized at a point-in-time upon the shipment of the product to the customer given payment terms are typically 30 days. FreeHold products are currently only sold in the United States.

Cost of Product Revenue and Gross Margin

Cost of product revenue consists primarily of costs of finished goods components for use in FreeHold's products and assembled, warehoused and inventoried by a third-party vendor. We expect the cost of finished goods product revenue to increase in absolute terms as our revenue grows.

Our gross margin has been, and will continue to be, affected by a variety of factors, including finished goods manufactured component parts, as well as the cost to assemble and warehouse the FreeHold product finished goods inventory.

Research and Development Expenses

Research and development expenses consist of applicable personnel, consulting, materials and clinical study expenses. Research and development expenses include:

- Certain personnel-related expenses, including salaries, benefits, bonus, travel and stock-based compensation;
- Cost of clinical studies to support new products and product enhancements, including expenses for clinical research organizations and site payments;
- Product device materials and drug supply, and manufacturing used for internal research and development, and clinical activities;
- Allocated overhead including facilities and information technology expenses; and
- Cost of outside consultants who assist with device and drug development, regulatory affairs, clinical affairs and quality assurance.

Research and development costs are expensed as incurred. Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical studies. In the future, we expect research and development expenses to increase in absolute dollars as we continue to develop new products, enhance existing products and technologies, initiate clinical studies, manufacture drug supply for internal research and development and clinical trial supply and perform activities related to obtaining additional regulatory approvals. We do not track expenses by product candidate, unless tracking such expenses is required pursuant to the revenue recognition model for a collaborative arrangement.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist of personnel-related expenses, including salaries, benefits, bonus, travel and stock-based compensation. Other selling, general and administrative expenses include professional services fees, including legal, audit, investor/public relations, and insurance costs, outside consultants costs, employee recruiting and training costs, and non-income taxes. Moreover, we incur and expect to continue to incur additional expenses associated with operating as a public company, including legal, accounting, insurance, exchange listing and U.S. Securities and Exchange Commission ("SEC") compliance, and investor relations expenses. We expect quarterly selling, general and administrative expenses to continue to increase as we conduct additional clinical trials and expand our operations as a public company.

Interest (Expense) Income, Net

Interest (expense) income, net reflects the income generated from marketable securities during the year. Interest expense is attributable to loan interest and interest related to the Royalty Purchase Agreement.

On July 31, 2025, we entered into a revenue participation right purchase and sale agreement (the "Royalty Purchase Agreement") with Ligand Pharmaceuticals Incorporated ("Ligand"). Under the terms of the Royalty Purchase Agreement, in exchange for payment of $35.0 million (the "Investment Amount"), less certain reimbursable expenses, Ligand acquired the right to receive tiered royalty payments from us (the "Royalty Interest") with respect to revenue (including certain licensing revenue) received by us in a calendar year in connection with worldwide net product sales, or other product revenue received by, by us and our licensees ("Annual Net Sales") of (a) AVIM Therapy (the "Primary Product") and (b) Virtue SAB (the "Secondary Product" and together with the Primary Product, the "Products") in the field of coronary artery treatment. Our estimate of this total interest expense associated with the Royalty Interest resulted in an effective annual interest rate of approximately 23.3% as of March 31, 2026. This estimate contains significant assumptions that impact both the amount recorded at execution and the interest expense that will be recognized over the royalty period. We will periodically assess the estimated amounts due and payable to Ligand and to the extent the amount or timing of such payments is materially different than the original estimates, an adjustment will be recorded prospectively to increase or decrease interest expense. There are a number of factors that could materially affect the amount and timing of the royalty payments to be paid by us to Ligand and, correspondingly, the amount of interest expense recorded by us.

On November 6, 2024 (the "LSA Closing Date"), we and certain of our subsidiaries (collectively, the "Borrower") entered into a Loan and Security Agreement, by and among the Borrower, the several banks and other financial institutions or entities party thereto, as lenders (collectively, the "Hercules Lenders"), and Hercules Capital, Inc. ("Hercules"), as administrative agent and collateral agent for itself and the Hercules Lenders, as amended by that certain First Amendment to Loan and Security Agreement dated as of December 30, 2024, Second Amendment to Loan and Security Agreement dated as of July 31, 2025 and Third Amendment to Loan and Security Agreement, dated as of April 6, 2026 (as amended, the "2024 LSA") .

The 2024 LSA provides a secured term loan facility of up to $50.0 million in up to two tranches (collectively, the "Term Loans"), with the first tranche of $15.0 million drawn on the LSA Closing Date, and a second tranche of up $35.0 million that may be borrowed by us in the discretion of the lender's investment committee.

Under the terms of the 2024 LSA, the initial date upon which we have to begin amortizing Term Loans is June 1, 2028. The Term Loans accrue interest at a floating per annum rate equal to the greater of (i) (x) the "prime rate" as reported in The Wall Street Journal plus (y) 2.0%, and (ii) 9.50%. The repayment terms of the Term Loans include monthly payments over a 4-year period, consisting of an interest-only period expiring June 1, 2028, followed by six monthly principal payments plus interest. At our option, we may prepay all or a portion of the outstanding Term Loans, subject to a prepayment premium equal to (a) 3.0% of the Term Loans being prepaid if the prepayment occurs during the twelve months following the LSA Closing Date, (b) 2.0% of the Term Loans being prepaid if the prepayment occurs after 12 months following the LSA Closing Date but on or prior to 24 months following the LSA Closing Date, and (c) 1.0% of the Term Loans being prepaid if the prepayment occurs after 24 months following the LSA Closing Date and prior to the maturity date. In addition, we will pay an end of term charge of 6.35% of the principal amount of the Term Loans upon the prepayment or repayment of the Term Loans and a facility charge of 0.75% upon any draws of the Term Loans. Refer to Note 14 – *"Debt Financing"* to the Consolidated Financial Statements.

Change in the fair value of derivative liability

In November 2025, we sold 200,000 shares of Series A Preferred Stock at a purchase price equal to $100.00 per share for gross proceeds of $20.0 million. We concluded that certain conversion and redemption features meet the requirements to be separately accounted for as a bifurcated derivative. As a result, we bifurcated the Series A Preferred Stock between (i) the host contract, which was accounted for within mezzanine equity, and (ii) the bifurcated derivative liabilities related to those conversion and redemption features. The bifurcated derivatives are remeasured to fair value at each reporting period with changes in fair value recorded in the condensed consolidated statement of operations and comprehensive loss.

Gain on Sale of Strategic Investments

The gain on sale of strategic investments represents a change in the preferred shares and convertible notes of Vivasure Medical Limited ("Vivasure"), a privately-held company and related party, and fair value of our investment in common stock holdings of a previously publicly-held company. On January 9, 2026, Haemonetics Corporation, a global medical technology company focused on delivering innovative solutions designed to improve patient outcomes, announced its acquisition of Vivasure. Vivasure was a strategic investment of ours prior to its acquisition. In connection with the closing of the transaction, we recognized a gain on the sale of strategic investments of $2.2 million. We may receive additional proceeds in the future associated with revenue earnouts based on the achievement of certain milestones.

Previously, the investments in Vivasure did not have readily determinable fair values and were recorded at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer, in accordance with the provisions of ASU 2016-01.

Results of Operations

Comparison of the Three Months Ended March 31, 2026 and 2025

The following table presents our statement of operations data for the three months ended March 31, 2026 and 2025, and the dollar and percentage change between the two periods (in thousands):

	Three Months Ended March 31,			
	2026	2025	Change $	Change %
Revenue:				
Partnership revenue	$ —	$ 732	$ (732)	(100)%
Product revenue	110	136	(26)	(19)%
Total revenue	110	868	(758)	(87)%
Expenses:				
Cost of product revenues	32	44	(12)	(27)%
Research and development	15,781	13,482	2,299	17 %
Selling, general and administrative	6,373	6,263	110	2 %
Total expenses	22,186	19,789	2,397	12 %
Loss from operations	(22,076)	(18,921)	(3,155)	(17)%
Other (expense) income:				
Interest (expense) income, net	(821)	166	(987)	(595)%
Change in the fair value of derivative liability	(35)	—	(35)	(100)%
Gain on sale of strategic investments	2,241	—	2,241	100 %
Total other income	1,385	166	1,219	734 %
Net loss	$ (20,691)	$ (18,755)	$ (1,936)	(10)%

Partnership Revenue

Partnership revenue decreased by $732,000, or 100%, in the three months ended March 31, 2026 from $732,000 for the three months ended March 31, 2025. Partnership revenue related to the recognition of the combined performance obligation for the license granted to Terumo and the ongoing research and development services over the estimated performance period for the Virtue SAB coronary ISR indication, using a proportional performance model, based on the costs incurred relative to the total estimated costs of the research and development services. Prior to the termination of the Terumo Agreement, as of each quarterly reporting date, we evaluated our estimates of the total costs expected to be incurred through the completion of the combined performance obligation and updated our estimates as necessary. On October 24, 2025, we and Terumo entered into a termination and right of first refusal agreement (the "Termination and ROFR Agreement"), which superseded and terminated the Terumo Agreement, and we no longer have any performance obligations under the Terumo Agreement.

Prior to the termination of the Terumo Agreement, as of each quarterly reporting date, we evaluated our estimates of the total costs expected to be incurred through the completion of the combined performance obligation and updated our estimates as necessary. For the three months ended March 31, 2025, the expenses incurred related to the Terumo Agreement were $3.5 million. The estimated total costs associated with the Terumo Agreement through completion as of March 31, 2025, were approximately similar as compared to the estimates as of December 31, 2024.

Product Revenue

Product revenue decreased by $26,000, or approximately 19%, to $110,000 in the three months ended March 31, 2026 from $136,000 for the three months ended March 31, 2025.

Product revenue primarily consisted of the sale of FreeHold Duo and Trio intracorporeal organ retractors and revenue is recognized when product is shipped to customers. The decrease in product revenue was due to a decrease in the purchase volume. There were no changes to the per unit sale price in either period between the periods presented.

Cost of Product Revenue

Cost of product revenue decreased by $12,000, or approximately 27%, to $32,000 in the three months ended March 31, 2026 from $44,000 for the three months ended March 31, 2025. The decrease was primarily due to lower sales volume of FreeHold Duo and Trio intracorporeal organ retractors.

Research and Development Expenses

The following table summarizes our research and development expenses for the three months ended March 31, 2026 and 2025 (in thousands):

	Three Months Ended March 31,	
	2026	2025
Personnel and consulting costs	$ 8,077	$ 6,002
Non-clinical development costs	4,130	4,538
Clinical development costs	3,574	2,942
Total research and development expenses	**$ 15,781**	**$ 13,482**

Research and development expenses increased by $2.3 million, or approximately 17%, to $15.8 million for the three months ended March 31, 2026 from $13.5 million for the three months ended March 31, 2025. This is primarily due to an increase in support of ongoing work to advance the BACKBEAT Trial and to advance Virtue SAB into the Virtue Trial. The increase included an increase in personnel-related expenses of $2.1 million due to increased headcount and consulting costs, an increase of $632,000 in clinical development costs, partially offset by a decrease of $408,000 in non-clinical development costs associated with research and development program costs, supplies, and testing.

The total research and development expenses summarized above include $3.5 million for the three months ended March 31, 2025 related to the Terumo Agreement, which was terminated in October 2025.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by $110,000, or approximately 2%, to $6.4 million for the three months ended March 31, 2026, from $6.3 million of expense for the three months ended March 31, 2025. The increase primarily resulted from an increase of $168,000 in accounting, finance, and legal expenses partially offset by a decrease of $85,000 in stock-based compensation.

Interest (Expense) Income, Net

Interest (expense) income, net, decreased by $1.0 million, or approximately 595%, to $821,000 of interest expense for the three months ended March 31, 2026, from $166,000 of income for the three months ended March 31, 2025. The net interest expense in the 2026 period consisted primarily of monthly interest expense resulting from the 2024 LSA and the Royalty Purchase Agreement partially offset by interest earned from marketable securities. The net interest income in the 2025 period consisted primarily of interest earned from marketable securities partially offset by monthly interest expense resulting from the 2024 LSA.

Change in the fair value of derivative liability

The derivative liability of the Series A Preferred Stock was remeasured to a fair value of $2.8 million as of March 31, 2026. We recognized a loss of $35,000 for the three months ended March 31, 2026, primarily driven by an increase in our stock price compared to the measurement at December 31, 2025.

Gain on Sale of Strategic Investments

On January 9, 2026, Haemonetics Corporation, a global medical technology company focused on delivering innovative solutions designed to improve patient outcomes, announced its acquisition of Vivasure. In connection with the closing of the transaction, we can receive up to approximately $10.7 million of proceeds in 2026 associated with the transaction. In January, we received the initial upfront payment of $4.7 million and the remainder may be received in 2026 based on the achievement of a milestone. For the three months ended March 31, 2026, we recognized a gain on the sale of strategic investments of $2.2 million.

Liquidity and Capital Resources

Overview

From inception through March 31, 2026, we have incurred significant operating losses and negative cash flows from our operations. Our net losses were $20.7 million and $18.8 million for the three months ended March 31, 2026 and 2025, respectively. As of March 31, 2026, we had an accumulated deficit of $383.3 million. We have funded our operations primarily through the issuance of our common stock, convertible preferred stock, and warrants, as well as proceeds from the Business Combination, the prior Terumo Agreement and the Termination and ROFR Agreement, borrowings under debt arrangements, the sale of future revenues, sale of strategic investments, and, to a lesser extent, revenue from FreeHold products. On January 9, 2026, Haemonetics closed on an acquisition of Vivasure in which we can receive up to $10.7 million of proceeds in 2026 made up of approximately $4.7 million received upfront and approximately $6.0 million in a first milestone payment expected later this year. As of March 31, 2026, we have raised a cumulative $367.2 million in gross proceeds. We had $94.4 million in cash and cash equivalents and marketable securities at March 31, 2026, comprised of $28.4 million in cash and cash equivalents and $66.0 million in marketable securities. Cash and cash equivalents consisted primarily of bank deposits and money market funds while short-term marketable securities consisted primarily of our investments in corporate debt securities. On May 1, 2026, we received $20.0 million pursuant to the Medtronic Loan Agreement and an additional $15.0 million from Ligand pursuant to the Royalty Purchase Agreement.

Funding Requirements

We intend to prioritize spending on our two flagship product candidates and expect operating expenses to increase accordingly as we focus on continued execution of the BACKBEAT Trial for AVIM Therapy and ramp up execution of the initiated Virtue Trial for Virtue SAB. The additional investment will primarily support clinical study costs as well as other research and development activities.

Based on internally prepared budget estimates that reflect our operating priorities, we anticipate that our cash and cash equivalents, marketable securities, proceeds received subsequent to March 31, 2026 but prior to the filing of this Quarterly Report on Form 10-Q, are sufficient to fund our operations into the fourth quarter of 2027. The amount and timing of our future funding requirements may change from this current estimate and are dependent on many factors, including the cost and pace of execution of clinical studies and research and development activities, the strength of results from clinical studies and other research, development and manufacturing efforts. There are no assurances that any of these factors will be favorable to us, and we may need to seek additional sources of liquidity to meet our funding requirements earlier than current estimates, including the issuance of new equity, and/or other financing structures. In this regard, as of the date of this Quarterly Report on Form 10-Q, we may sell up to $92.4 million of shares of our common stock under the sales agreement (the "Sales Agreement") we entered into with TD Securities (USA) LLC ("TD Cowen") pursuant to which we may offer and sell, from time to time through TD Cowen, shares of our common stock by any method permitted by law and deemed to be an "at the market offering" as defined in Rule 415(a)(4) promulgated under the Securities Act.

Our future viability is dependent on our ability to raise additional capital to finance our operations. Our inability to raise capital as and when needed could have a negative impact on our financial condition and ability to pursue our business strategies. There can be no assurance that our current operating plan will be achieved or that additional funding will be available on terms acceptable to us, or at all.

Pursuant to, among other things, contractual obligations entered into in connection with the Business Combination, we have registered the resale of approximately 18.6 million shares of our common stock pursuant to a registration statement filed with the SEC, which became effective on May 9, 2024 (the "Resale Registration Statement"). The sale of our common stock pursuant to the Resale Registration Statement may result in a decline in the value of our common stock, which may make it more difficult and more dilutive to the existing holders of our common stock to raise funds from the sale of our equity securities.

Cash Flows

The following table summarizes our cash flow data for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2026	2025
Net cash used in operating activities	$ (22,168)	$ (16,616)
Net cash provided by investing activities	10,318	12,999
Net cash provided by (used in) financing activities	5,527	(296)
Net decrease in cash and cash equivalents	**$ (6,323)**	**$ (3,913)**

Comparison of the Three Months Ended March 31, 2026 and 2025

Net Cash Flows from Operating Activities

Net cash used in operating activities for the three months ended March 31, 2026 was $22.2 million and primarily consisted of our net loss of $20.7 million and changes in net operating assets and liabilities of $3.7 million, partially offset by non-cash charges of $2.2 million. Our non-cash charges primarily consisted of stock-based compensation of $2.9 million and non-cash interest expense on liability related to the Royalty Purchase Agreement of $1.3 million, partially offset by the gain on the sale of strategic investments of $2.2 million. The net change in operating assets and liabilities was primarily due to an increase in accounts payable, accrued expenses and other liabilities of $3.1 million and prepaid expenses and other assets of $477,000.

Net cash used in operating activities for the three months ended March 31, 2025 was $16.6 million and primarily consisted of our net loss of $18.8 million and changes in net operating assets and liabilities of $1.0 million, partially offset by non-cash charges of $3.1 million. Our non-cash charges primarily consisted of stock-based compensation of $3.0 million, partially offset by $112,000 related to accretion and interest of marketable securities. The net change in operating assets and liabilities was primarily due to a decrease in deferred revenue of $732,000, a decrease in accounts payable, accrued expenses and other liabilities of $202,000, and a decrease in operating lease liabilities of $132,000.

Net Cash Flows from Investing Activities

Net cash provided by investing activities for the three months ended March 31, 2026 was $10.3 million, which primarily consisted of the sale of $18.9 million of marketable securities and the sale of strategic investments of $4.7 million partially offset by the purchase of $13.1 million of marketable securities.

Net cash provided by investing activities for the three months ended March 31, 2025 was $13.0 million, which primarily consisted of the sale of $16.0 million of marketable securities, partially offset by the purchase of $2.9 million of marketable securities.

Net Cash Flows from Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2026 was $5.5 million, which primarily consisted of $5.9 million of proceeds from proceeds from the sale of our common stock pursuant to the Sales Agreement, partially offset by $354,000 used to settle taxes associated with restricted stock vesting.

Net cash provided by financing activities of $296,000 for the three months ended March 31, 2025 was primarily due to $387,000 used to settle taxes associated with restricted stock vesting, partially offset by proceeds of $91,000 related to the exercise of stock options.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations and commitments as of March 31, 2026 (in thousands):

	Payments Due by Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Operating lease obligations	$ 1,657	$ 896	$ 761	$ —	$ —
Debt, principal and interest[1]	18,873	1,445	17,428	—	—
Total	**$ 20,530**	**$ 2,341**	**$ 18,189**	**$ —**	**$ —**

(1) In November 2024, we entered into the 2024 LSA with Hercules, as amended. The 2024 LSA will mature in November 2028. Refer to Note 14 to the Consolidated Financial Statements for additional information.

We enter into agreements in the normal course of business with clinical research organizations for work related to clinical trials and with vendors for preclinical studies and other services and products for operating purposes, which are cancelable at any time by us, generally upon 30 days prior written notice. These payments are not included in the above table of contractual obligations and commitments.

Critical Accounting Policies and Estimates

Our financial statements are prepared in accordance with U.S. GAAP. The preparation of the financial statements in conformity with U.S. GAAP requires our management to make a number of estimates and assumptions relating to the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. We evaluate our significant estimates on an ongoing basis, including estimates related to the total costs expected to be incurred though the completion of the combined performance obligation of the Terumo Agreement (prior to its termination in October 2025, effective interest expense related to the Royalty Purchase Agreement, research and development prepayments, accruals and related expenses and stock-based compensation. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates.

Our critical accounting policies are described in the MD&A section of our Form 10-K for the year ended December 31, 2025 filed with the SEC on March 12, 2026. There have been no material changes to our critical accounting policies during the three months ended March 31, 2026.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 – *"Summary of Significant Accounting Policies,"* to the Consolidated Financial Statements.

Smaller Reporting Company Status

We are a "smaller reporting company" as defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). As a smaller reporting company, we will continue to not be required to comply with the auditor attestation requirements of Section 404(a) of the Sarbanes-Oxley Act of 2002 as long as (a) our annual revenue is less than $100.0 million during the most recently completed fiscal year and (b) the market value of our voting and non-voting common stock held by non-affiliates is less than $700.0 million as of the last business day of the second quarter of such fiscal year. We may also take advantage of certain reduced disclosure requirements as a smaller reporting company, including, but not limited to, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We will be able to take advantage of these scaled disclosures for so long as (i) the market value of our voting and non-voting common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter, or (ii)(a) our annual revenue is less than $100.0 million during the most recently completed fiscal year and (b) the market value of our voting and non-voting common stock held by non-affiliates is less than $700.0 million as of the last business day of the second quarter of such fiscal year.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures.

We maintain "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), that are designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

Disclosure controls and procedures include, without limitation, controls and procedures designed to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2026, the end of the period covered by this Quarterly Report. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2026.

Changes in Internal Control Over Financial Reporting.

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended March 31, 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitation on the Effectiveness of Internal Control.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures, or our internal controls, will prevent all errors and all fraud. 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. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our Company have been detected.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may become involved in various claims and legal proceedings that arise in the ordinary course of our business. We are not currently a party to any material legal proceedings and are not aware of any pending or threatened legal proceeding against us that we believe would have a material adverse effect on our business, operating results or financial condition.

Item 1A. Risk Factors.

For information regarding factors that could affect our results of operations, financial condition and liquidity, see the risk factors discussed in Part I, Item 1A in the 2025 10-K. There have been no material changes to the risk factors previously disclosed in Part I, Item 1A in the 2025 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Arrangements

During the three months ended March 31, 2026, no director or officer (as defined in Rule 16a-1(f) promulgated under the Exchange Act) informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement", as each term is defined in Item 408(c) of Regulation S-K.

Item 6. Exhibits.

Exhibit	Description
3.1	Certificate of Incorporation of Orchestra BioMed Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on January 31, 2023).
3.2	Certificate of Designation of Series A Convertible Preferred Stock, dated November 6, 2025 (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q filed with the SEC on November 10, 2025)
3.3	Amended and Restated Bylaws of Orchestra BioMed Holdings, Inc. (incorporated by reference to Exhibit 3.2 to the Quarterly Report on Form 10-Q filed with the SEC on August 12, 2024).
10.1+^†	First Amendment to Loan and Security Agreement by and among the Company and certain of its subsidiaries, the lenders named therein and Hercules Capital, Inc., dated as of December 30, 2024.
10.2+^†	Third Amendment to Loan and Security Agreement by and among the Company and certain of its subsidiaries, the lenders named therein and Hercules Capital, Inc., dated as of April 6, 2026.
31.1+	Certification of Chief Executive Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2+	Certification of Chief Financial Officer, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Chief 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 Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
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.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\+ Filed herewith.

\# Indicates a management contract or compensatory plan.

* Furnished herewith. This exhibit shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that Section. Such exhibit shall not be deemed incorporated into any filing under the Securities Act or the Exchange Act.

^ Certain identified information has been omitted pursuant to Item 601(b)(10) of Regulation S-K because such information is both (i) not material and (ii) information that the Registrant treats as private or confidential. The Registrant hereby undertakes to furnish supplemental copies of the unredacted exhibit upon request by the SEC.

† Certain of the exhibits and schedules to this Exhibit have been omitted in accordance with Regulation S-K Item 601. The Registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

SIGNATURES

Pursuant to the requirements 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.

ORCHESTRA BIOMED HOLDINGS, INC.

Dated: May 12, 2026

/s/ Andrew Taylor
Andrew Taylor
Chief Financial Officer
(Principal Financial Officer)

[Certain information contained in this exhibit has been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K, as indicated with the notation "[***]", because such information is both not material and is the type that the registrant treats as private or confidential.

In addition, certain information contained in this exhibit has been redacted pursuant to Item 601(a)(6) of Regulation S-K, as indicated with the notation "[###]", because disclosure of such information would constitute a clearly unwarranted invasion of personal privacy.

Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. Orchestra BioMed Holdings, Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.]

Execution Version

FIRST AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

This **FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this "**Amendment**") is dated as of December 30, 2024 and is entered into by and among (a) (i) ORCHESTRA BIOMED HOLDINGS, INC., a Delaware corporation ("**Company**"), (ii) ORCHESTRA BIOMED, INC., a Delaware corporation ("**BioMed**"), (iii) CALIBER THERAPEUTICS, LLC, a Delaware limited liability company ("**Caliber**"), (iv) BACKBEAT MEDICAL, LLC, a Delaware limited liability company ("**BackBeat**"), (v) FREEHOLD SURGICAL, LLC, a Delaware limited liability company ("Freehold"), (vi) MOTUS GI, LLC, a Delaware limited liability company ("**Motus US**"), and (vii) MOTUS GI MEDICAL TECHNOLOGIES LTD., a company organized under the laws of the State of Israel ("**Motus ISR**", and together with Company, Biomed, Caliber, BackBeat, Freehold and Motus US, individually or collectively, as the context may require, "**Borrower**"), (b) the several banks and other financial institutions or entities from time to time party to the Loan Agreement (as defined below) (individually or collectively, as the context may require, "**Lender**") and (c) HERCULES CAPITAL, INC., a Maryland corporation, in its capacity as administrative agent and collateral agent for itself and the Lender (in such capacity, including any successors or assigns, "**Agent**"). *Capitalized terms used herein without definition shall have the same meanings given them in the Loan Agreement*.

RECITALS

A. Borrower, Agent and Lender have entered into that certain Loan and Security Agreement dated as of November 6, 2024, among Borrower, Agent and Lender (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), pursuant to which Lender has agreed to extend and make available to Borrower certain advances of money.

B. In accordance with Section 11.3 of the Loan Agreement, Borrower has requested that Agent and Lender agree to amend certain provisions of the Loan Agreement.

C. Agent and Lender have agreed to so amend the Loan Agreement upon the terms and conditions more fully set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. AMENDMENTS.

1.1 The Loan Agreement is hereby amended to reflect the changes which are attached as Annex A hereto, such that on the First Amendment Closing Date the terms set forth in **Annex A** hereto which appear in bold and double underlined text (**inserted text**) shall be added to the Loan Agreement and the terms appearing as text which is stricken (~~**deleted text**~~) shall be deleted from the Loan Agreement.

1.2 Each reference in the Loan Agreement to "this Agreement" and the words "hereof," "herein," "hereunder," or words of like import, shall mean and be a reference to the Loan Agreement as amended by this Amendment.

1.3 In relation to any person incorporated in Israel, any reference to insolvency, bankruptcy, liquidation, receivership, administration, reorganization, dissolution, winding-up, relief of debtors, or similar proceedings hereunder shall also include proceedings under the laws of the State of Israel including seeking an order relating to: (a) liquidation, winding-up, dissolution, administration or an arrangement ("*Hesder*") with creditors, as such terms are determined under the Israeli Companies Law, 1999 (the "**Israeli Companies Law**") and the Israeli Insolvency and Economic Rehabilitation Law, 5778-2018 (the "**Israeli Insolvency Law**"); (b) the appointment of a receiver or trustee ("*baal tafkid*"), as such term is understood under the Israeli Insolvency Law; (c) a reorganization order, freeze order, stay of proceedings order ("*Ikuv Halichim*") (or other similar remedy), relief of debtors, an order for commencing proceedings ("*Tzav le-Ptichat Halichim*"); or (d) the recognition of a foreign proceeding with respect to an insolvency of a company ("*Hakara be Halich Zar*"), as such term is understood under the Israeli Insolvency Law.

2. BORROWER'S REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants that:

2.1 Immediately upon giving effect to this Amendment (i) the representations and warranties contained in the Loan Documents are true and correct in all material respects except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects as of such date, provided that the representation in Section 5.15 of the Loan Agreement shall also include confirmation that Motus ISR is not deemed insolvent under the Israeli Insolvency Law; and (ii) no default or Event of Default has occurred and is continuing with respect to which Borrower has not been notified in writing by Agent or Lender.

2.2 Borrower has the corporate or other applicable company power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment. Motus ISR has not been declared nor has it been warned that it may be declared a "breaching company" ("*hevrah meferah*") by the Israeli Companies Registrar, as such term is defined in the Israeli Companies Law.

2.3 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized by all necessary corporate or other applicable company action on the part of Borrower.

2.4 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights generally and by general principles of equity.

2.5 As of the date hereof, Borrower has no defenses against the obligations to pay any amounts under the Secured Obligations. Borrower acknowledges that each of Agent and Lender has, as of the date hereof, acted in good faith and has conducted in a commercially reasonable manner its relationships with Borrower in connection with this Amendment and in connection with the Loan Documents.

Borrower understands and acknowledges that each of Agent and Lender is entering into this Amendment in reliance upon, and in partial consideration for, the above representations and warranties, and agrees that such reliance is reasonable and appropriate.

3. **LIMITATION**. The amendments set forth in this Amendment shall be limited precisely as written and shall not be deemed (a) to be a waiver or modification of any other term or condition of the Loan Agreement or of any other instrument or agreement referred to therein or to prejudice any right or remedy which Agent and/or Lender may now have or may have in the future under or in connection with the Loan Agreement (as amended hereby) or any instrument or agreement referred to therein; or (b) to be a consent to any future amendment or modification or waiver to any instrument or agreement the execution and delivery of which is consented to hereby. Except as expressly amended hereby, the Loan Agreement shall continue in full force and effect.

4. **EFFECTIVENESS**. This Amendment shall become effective upon the satisfaction of all the following conditions precedent (such date of satisfaction of all such conditions precedent, the "**First Amendment Closing Date**"):

4.1 **Amendment**. Borrower, Agent and Lender shall have duly executed and delivered this Amendment to Agent.

4.2 **Motus US Joinder**. Motus US shall have delivered to Agent the following:

(a) a duly executed Joinder Agreement, and such other documents and instruments as shall be requested by Agent to effectuate the transactions contemplated by such Joinder Agreement, in each case in form and substance acceptable to Agent;

(b) a duly executed Pledge Supplement;

(c) a duly executed Intellectual Property Security Agreement;

(d) duly executed Account Control Agreement(s) with respect to each Deposit Account and account holding Investment Property (other than (i) Motus US's Deposit Account maintained at JPMorgan Chase Bank ending in 903 (last three digits), and (ii) an Excluded Account) maintained by Motus US;

(e) a legal opinion of Motus US's counsel in form and substance reasonably acceptable to Agent;

(f) a copy of resolutions of Motus US's Board, certified by an officer of Motus US, evidencing (i) approval of the Joinder Agreement and Loan Agreement, (ii) authorizing a specified person or persons to execute the Loan Documents to which it is a party on its behalf, (iii) authorizing a specified person or persons, on its behalf, to sign and/or dispatch all documents and notices (including, if relevant, any Advance Request or other relevant notice) to be signed and/or dispatched by it under or in connection with the Loan Documents to which it is a party, and (iv) acknowledging that the Board is acting for a proper purpose and that the Loan Documents are in the best interests of Motus US and for its commercial benefit;

(g) certified copies of the Charter of Motus US, certified by the Secretary of State of Delaware and the other Organizational Documents, as amended through the First Amendment Closing Date, of Motus US;

(h) a certificate of good standing for Motus US from its jurisdiction or organization and similar certificates from all other jurisdictions in which it does business and where the failure to be qualified could have a Material Adverse Effect;

(i) certified copies, dated as of a recent date, of searches for financing statements;

(j) a duly executed perfection certificate of Motus US and each exhibit and addendum thereto;

(k) all certificates of insurance evidencing insurance required by Section 6.2 of the Loan Agreement;

(l) duly executed landlord consents for Motus US's (i) chief executive office or its principal place of business and (ii) offices or business locations, including warehouses, containing in excess of Five Hundred Thousand Dollars ($500,000) of Motus US's assets or property;

(m) (i) the certificates representing the Equity Interests required to be pledged pursuant to the Pledge Agreement, as amended by the Pledge Supplement, together with an undated stock power or similar instrument of transfer for each such certificate endorsed in blank by a duly authorized officer of the pledgor thereof, and (ii) each material debt instrument (if any) endorsed (without recourse) in blank (or accompanied by an transfer form endorsed in blank) by the pledgor thereof required to be pledged to Agent under the Pledge Agreement, as amended by the Pledge Supplement; and

(n) UCC-1 financing statement in respect of Motus US filed in its

jurisdiction of formation.

4.3 **Motus ISR Joinder**. Motus ISR and BioMed (as applicable) shall have delivered to Agent the following documents, and shall have performed such other actions specified below:

(a) a duly executed Joinder Agreement, and such other documents and instruments as shall be requested by Agent to effectuate the transactions contemplated by such Joinder Agreement, in each case in form and substance acceptable to Agent;

(b) create security interests over the Collateral by entering into a U.S. law supplement in favour of Agent (the "**Supplement**");

(c) create security interests over its Intellectual Property and other assets by entering into a U.S. law Intellectual Property Security Agreement in favour of Agent (the "**IPSA**");

(d) create a fixed charge over its Intellectual Property and other assets by entering into an Israeli law fixed charge debenture in favor of Agent (the "**Israeli Fixed Charge**");

(e) create a floating charge over all of its assets by entering into an Israeli law floating charge debenture in favor of Agent (the "**Israeli Floating Charge**");

(f) create a fixed pledge in favor of Agent over 100% of the shares and related rights beneficially owned by BioMed in Motus ISR by causing BioMed to enter into an

Israeli law share pledge agreement and any instruments and deliverables thereunder (the "**Israeli Share Pledge**" and together with the Israeli Fixed Charge and the Israeli Floating charge, the "**Israeli Collateral Documents**");

(g) a duly executed Form 10 in relation to each of the Israeli Fixed Charge, Israeli Floating Charge, the Supplement, the IPSA and any other Loan Document creating a Lien to which Motus ISR is a party, each in the form required for filing and registration with the Israeli Companies Registrar;

(h) a duly executed Form 1 in relation to the Israeli Share Pledge, in the form required for filing and registration with the Israeli Pledges Registrar;

(i) a legal opinion of Motus ISR's Israeli counsel;

(j) a duly executed officer's certificate attaching: (i) items described in Section 4.1(d) through (f) of the Loan Agreement; (ii) shareholder resolution of Motus ISR approving, *inter alia*, amendment to the articles of association of Motus ISR referred to in paragraph (k) below; (iii) directors' registry of Motus ISR; (iv) shareholders' registry of Motus ISR (annotated pursuant to paragraph (l) below); and (v) confirmation that securing or guaranteeing of Obligations would not cause any securing, guaranteeing or similar limit binding on Motus ISR to be exceeded; provided that: (i) the resolution Board of Directors of Motus ISR described in Section 4.1(d) of the Loan Agreement shall also certify that pursuant to sections 256(d) and 282 of the Israeli Companies Law, all approvals, as required under the Israeli Companies Law (including, without limitation, under sections 255, 270-272 and Section 277 thereof) and the Motus ISR Organizational Documents, have been duly obtained for the transactions contemplated by the Loan Documents to which it is a party; (ii) the Organizational Documents of Motus ISR shall include its certificate of incorporation and articles of association;

(k) evidence that the articles of association of Motus ISR have been amended to include substantially the following provision: "Notwithstanding anything to the contrary herein or in any shareholders agreement, for so long as any shares of the Company are subject to a security interest granted in favor of Hercules Capital, Inc. (including its respective successors and assigns, the "**Secured Party**") under or in connection with the Loan and Security Agreement dated November 6, 2024, among, *inter alia*, Orchestra Biomed Holdings, Inc., a Delaware corporation, Orchestra Biomed, Inc., a Delaware corporation, Caliber Therapeutics, LLC, a Delaware limited liability company, Backbeat Medical, LLC, a Delaware limited liability company, Freehold Surgical, LLC, a Delaware limited liability company as Borrower, the Lenders and Hercules Capital, Inc., as amended by that certain First Amendment to Loan and Security Agreement dated December 30, 2024 and as may be further amended from time to time, the "**LSA**"), any restrictions or limitations on, or approval requirements for, the transfer of shares or other securities, the registration of share transfers in the shareholders registry of the company, or the exercise of any rights, preferences, privilege and powers shall not apply to: (i) the creation of any lien over shares or other liens of the Company in accordance with the Loan Documents (as such term is defined in the LSA); (ii) any transfer of the shares or other securities to any person under or pursuant to enforcement of the Loan Documents, including the Secured Parties or any of their affiliates; and (iii) the registration of any such share transfer(s) in the shareholders registry of the Company or the exercise of any rights, preferences, privileges and powers attached to such shares or conferred upon the holders thereof under law or by virtue of these Articles of Association or any contract. The Secured Party and any receiver shall be third party beneficiaries of the provisions of this Article and no waiver, amendment or modification of this Article may be made without the prior written consent of the Secured Party.";

(l) an up-to-date shareholders' registry of Motus ISR which shall include substantially the following annotation: "17,771,094 ordinary shares in the issued and outstanding capital of the Company of par value NIS 0.01 each, registered in the name of Orchestra Biomed, Inc., are pledged in favour of Hercules Capital, Inc. as Agent pursuant to the Pledge Agreement made in its favour for the ratable benefit of the Secured Parties dated 30 December 2024, as amended from time to time";

(m) a duly executed perfection certificate of Motus ISR;

(n) a UCC-1 financing statement in respect of such Subsidiary filed with the D.C. Recorder of Deeds; and

(o) a Process Letter in accordance with clause (f) of Addendum 5 of the Loan Agreement.

(p) an up-to-date extract from a search against Motus ISR at the Israeli Companies Registrar evidencing that it is not registered by the Israeli Companies Registrar as a "company in breach" ("*hevrah meferah*") and that there is no outstanding Lien over its assets recorded at the Israeli Companies Registrar except as permitted under the Loan Agreement;

(q) an up to date extract from a search against BioMed at the Israeli Pledges Registrar, evidencing that there is no outstanding Lien recorded at the Israeli Pledges Registrar over its assets except as permitted under the Loan Agreement;

(r) the written approval from the Israel Innovation Authority in respect of the creation by Motus ISR of security interests over its IIA-Funded Know-How pursuant to the applicable Loan Documents;

(s) no later than the date that is three (3) Business Days from the date hereof (as such date may be extended in writing by the Agent in its sole and absolute discretion), Motus ISR shall have delivered to the Agent original copies of (i) signature pages to each Israeli Security Document, the Supplement, the IPSA and any other Loan Document creating a security interest to which Motus ISR is a party, (ii) executed Form 10s with respect to each Israeli Security Document (other than the Israeli Share Pledge), the Supplement, the IPSA and any other Loan Document creating a security interest to which Motus ISR is a party, and (iii) an executed Form 1 with respect to the Israeli Share Pledge;

(t) no later than the date that is twenty-one (21) days from the date hereof (as such date may be extended in writing by the Agent in its sole and absolute discretion), the Borrower shall have delivered to the Agent evidence that (i) each Israeli Security Document (other than the Israeli Share Pledge), the Supplement, the IPSA and any other Loan Document creating a Lien to which Motus ISR is a party has been duly registered with the Israeli Companies Registrar and an excerpt from a search against Motus ISR at the Israeli Companies Registrar, in each case demonstrating to the reasonable satisfaction of Collateral Agent that the filing, submission and registration of each of the foregoing Loan Documents with the Israeli Companies Registrar have been completed and evidencing that there is no outstanding Lien over Motus ISR's assets, except as permitted under the Loan Agreement, (ii) the Israeli Share Pledge has been duly registered with the Israeli Pledges Registrar and an excerpt from a search against BioMed at the Israeli Pledges Registrar demonstrating to the reasonable satisfaction of Collateral Agent that the filing, submission and registration of the Israeli Share Pledge has been completed and evidencing

that there is no outstanding Lien over BioMed's assets, except as permitted under the Loan Agreement

4.4 Payment of Lender Expenses. Borrower shall have paid all reasonable Lender expenses (including all reasonable attorneys' fees and reasonable expenses) incurred through the date of this Amendment for the documentation and negotiation of this Amendment, in each case, to the extent invoiced on or prior to the First Amendment Closing Date.

5. POST-CLOSING REQUIREMENTS. Within 30 days of the First Amendment Closing Date, Borrower shall (a) deliver to Agent a duly executed Account Control Agreement with respect to Motus US's Deposit Account maintained at JPMorgan Chase Bank ending in 903 (last three digits), and (b) use commercially reasonable efforts to deliver to Agent a duly executed bailee agreement in favor of Agent for 4049 Willow Lake Boulevard, Memphis, Tennessee 38118, where Motus ISR maintains property with a third party.

6. RELEASE. In consideration of the agreements of Agent and each Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, on behalf of itself and its successors, assigns, and other legal representatives, hereby to the extent possible under applicable law fully, absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and each Lender, and its successors and assigns, and its present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, Lender and all such other persons being hereinafter referred to collectively as the "**Releasees**" and individually as a "**Releasee**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which Borrower, or any of its successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time prior to the execution of this Amendment, for or on account of, or in relation to, or in any way in connection with the Loan Agreement, or any of the other Loan Documents or transactions thereunder or related thereto. Borrower understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release. Borrower agrees that no fact, event, circumstance, evidence or transaction existing prior to the execution of this Amendment which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above. Borrower waives the provisions of California Civil Code section 1542, which states:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

7. COUNTERPARTS. This Amendment may be signed in any number of counterparts, and by different parties hereto in separate counterparts, with the same effect as if the signatures to each such counterpart were upon a single instrument. All counterparts shall be deemed an original of this Amendment.

This Amendment may be executed by facsimile, portable document format (.pdf) or similar technology signature, and such signature shall constitute an original for all purposes.

8. INCORPORATION BY REFERENCE. The provisions of Section 11 of the Loan Agreement shall be deemed incorporated herein by reference, *mutatis mutandis*.

9. REAFFIRMATION. By executing and delivering a counterpart hereof, (i) Borrower hereby agrees that all Advances incurred by Borrower shall be secured by the Collateral pursuant to the applicable Loan Documents in accordance with the terms and provisions thereof and (ii) Borrower hereby (A) agrees that, notwithstanding the effectiveness of this Amendment, after giving effect to this Amendment, the Loan Documents continue to be in full force and effect, (B) agrees that all of the Liens and security interests created and arising under the Loan Documents remain in full force and effect on a continuous basis, and the perfected status and priority of each such Lien and security interest continues in full force and effect on a continuous basis, unimpaired, uninterrupted and undischarged, as collateral security for its obligations, liabilities and indebtedness under the Loan Agreement to the extent provided in, and subject to the limitations and qualifications set forth in, such Loan Documents (as amended by this Amendment) and (C) affirms and confirms all of its obligations, liabilities and indebtedness under the Loan Agreement and each other Loan Document, in each case after giving effect to this Amendment, including the pledge of and/or grant of a security interest in its assets as Collateral pursuant to the Loan Documents to secure such Secured Obligations, all as provided in the Loan Documents, and acknowledges and agrees that such obligations, liabilities, guarantee, pledge and grant continue in full force and effect in respect of, and to secure, such Secured Obligations under the Loan Agreement and the other Loan Documents, in each case, to the extent provided in, and subject to the limitations and qualifications set forth in, such Loan Documents (as amended by this Amendment).

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly authorized and caused this Amendment to be executed as of the date first written above.

BORROWERS:
ORCHESTRA BIOMED HOLDINGS, INC.

Signature: /s/ David Hochman
Print Name: David Hochman
Title: Chief Executive Officer

ORCHESTRA BIOMED, INC.

Signature: /s/ David Hochman
Print Name: David Hochman
Title: Chief Executive Officer

CALIBER THERAPEUTICS, LLC

Signature: /s/ David Hochman
Print Name: David Hochman
Title: Chief Executive Officer

BACKBEAT MEDICAL, LLC

Signature: /s/ David Hochman
Print Name: David Hochman
Title: Chief Executive Officer

FREEHOLD SURGICAL, LLC

Signature: /s/ David Hochman
Print Name: David Hochman
Title: Chief Executive Officer

MOTUS GI, LLC

Signature: /s/ David Hochman
Print Name: David Hochman
Title: Chief Executive Officer

MOTUS GI MEDICAL TECHNOLOGIES LTD.

Signature: /s/ David Hochman
Print Name: David Hochman
Title: Chief Executive Officer

Accepted in San Mateo, California:

AGENT:

HERCULES CAPITAL, INC.

Signature: /s/ Jennifer Choe
Print Name: Jennifer Choe
Title: Deputy General Counsel,
Portfolio Transactions

LENDERS:

HERCULES CAPITAL, INC.

Signature: /s/ Jennifer Choe
Print Name: Jennifer Choe
Title: Deputy General Counsel,
Portfolio Transactions

HERCULES CAPITAL IV, L.P.

By: Hercules Technology SBIC Management,
LLC, its General Partner

By: Hercules Capital, Inc., its Manager

Signature: /s/ Jennifer Choe
Print Name: Jennifer Choe
Title: Deputy General Counsel,
Portfolio Transactions

HERCULES SBIC V, L.P.

By: Hercules Technology SBIC Management,
LLC, its General Partner

By: Hercules Capital, Inc., its Manager

Signature: /s/ Jennifer Choe
Print Name: Jennifer Choe
Title: Deputy General Counsel,
Portfolio Transactions

Annex A

Amended Loan Agreement

(*see attached*)

~~*Execution Version*~~*Conformed through First Amendment Closing Date*

LOAN AND SECURITY AGREEMENT

THIS LOAN AND SECURITY AGREEMENT is made and dated as of November 6, 2024 and is entered into by and among ORCHESTRA BIOMED HOLDINGS, INC., a Delaware corporation ("Company"), Company's Subsidiary ORCHESTRA BIOMED, INC., a Delaware corporation ("BioMed"), BioMed's Subsidiary CALIBER THERAPEUTICS, LLC, a Delaware limited liability company ("Caliber"), BioMed's Subsidiary BACKBEAT MEDICAL, LLC, a Delaware limited liability company ("BackBeat"), BioMed's Subsidiary FREEHOLD SURGICAL, LLC, a Delaware limited liability company ("Freehold"), and each other Person that has delivered a Joinder Agreement pursuant to Section 7.13 from time to time party hereto (together with Company, BioMed, Caliber, BackBeat and Freehold, individually or collectively, as the context may require, "Borrower"), the several banks and other financial institutions or entities from time to time party hereto (each, a "Lender", and collectively "Lenders") and HERCULES CAPITAL, INC., a Maryland corporation, in its capacity as administrative agent and collateral agent for itself and Lenders (in such capacity, including any successors or assigns, "Agent").

RECITALS

A. Borrower has requested Lenders make available to Borrower up to three (3) tranches of term loans in an aggregate principal amount of up to Fifty Million Dollars $50,000,000; and

B. Lenders are willing to make the Term Loans on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, Borrower, Agent and Lenders agree as follows:

SECTION 1
DEFINITIONS AND RULES OF CONSTRUCTION

1.1 Unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Account Control Agreement(s)" means any agreement entered into by and among Agent, Borrower and a third-party bank or other institution (including a Securities Intermediary) in which Borrower maintains a Deposit Account or an account holding Investment Property and which perfects Agent's first priority security interest in the subject account or accounts.

"ACH Authorization" means the ACH Debit Authorization Agreement in substantially the form of Exhibit G, provided that account numbers shall be redacted for security purposes if and when filed publicly by Borrower.

"Acquisition" means any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of a Person, or of any business, line of business or division or other unit of operation of a Person, (b) the acquisition of fifty percent (50%) or more of the Equity Interests of any Person, whether or not involving a merger, consolidation or similar transaction with such other Person, or otherwise causing any Person to become a Subsidiary of Borrower, or (c) the acquisition of, or the right to use, develop or sell (in each case, including through licensing (other than "off-the-shelf" licenses)), any product, product line or intellectual property of or from any other Person.

"Advance(s)" means a Term Loan Advance.

"Advance Date" means the funding date of any Advance.

"Advance Request" means a request for an Advance submitted by Borrower to Agent in substantially the form of Exhibit A, provided that account numbers shall be redacted for security purposes if and when filed publicly by Borrower.

"Affiliate" means (a) any Person that directly or indirectly controls, is controlled by, or is under common control with the Person in question, (b) any Person directly or indirectly owning, controlling or holding with power to vote ten percent (10%) or more of the outstanding voting securities of another Person, (c) any Person ten percent (10%) or more of whose outstanding voting securities are directly or indirectly owned, controlled or held by another Person with power to vote such securities, or (d) any Person related by blood or marriage to any Person described in subsection (a), (b) or (c) of this definition. As used in the definition of "Affiliate," the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Agreement" means this Loan and Security Agreement, as amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"Amortization Date" means December 1, 2026; provided however, if (a) the First Interest Only Extension Condition is satisfied, then June 1, 2027 and (b) the Second Interest Only Extension Condition is satisfied, then then December 1, 2027.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to Borrower or any of their respective Affiliates from time to time concerning or relating to bribery or corruption, including without limitation the United States Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act 2010 and other similar legislation in any other jurisdictions.

"Anti-Terrorism Laws" means any laws, rules, regulations or orders relating to terrorism or money laundering, including without limitation Executive Order No. 13224 (effective September 24, 2001), the USA PATRIOT Act, the laws comprising or implementing the Bank Secrecy Act, and the laws administered by OFAC.

"Bankruptcy Code" means the federal bankruptcy law of the United States as from time to time in effect, currently as Title 11 of the United States Code. Section references to current sections of the Bankruptcy Code shall refer to comparable sections of any revised version thereof if section numbering is changed.

"Blocked Person" means any Person: (a) listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (b) owned or controlled by, or acting for or on behalf of, any Person that is listed in the annex to, or is otherwise subject to the provisions of, Executive Order No. 13224, (c) with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law, (d) that commits, threatens or conspires to commit or supports "terrorism" as defined in Executive Order No. 13224, or (e) that is named a "specially designated national" or "blocked person" on the most current list published by OFAC or other similar list.

"Board" means, with respect to any Person that is a corporation, its board of directors, with respect to any Person that is a limited liability company, its board of managers, board of members or

similar governing body, and with respect to any other Person that is another form of a legal entity, such Person's governing body in accordance with its Organizational Documents.

"Borrower Products" means all products, software, service offerings, technical data or technology currently being designed, manufactured or sold or that are under clinical investigation or development by Borrower or any of its Subsidiaries or which Borrower or any of its Subsidiaries intends to sell, license, or distribute in the future including any products or service offerings under development, collectively, together with all products, software, service offerings, technical data or technology that have been sold, licensed or distributed by Borrower since its formation.

"Borrower's Books" means Borrower's or any of its Subsidiaries' books and records including ledgers, federal, state, local and foreign tax returns, records regarding Borrower's or its Subsidiaries' assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

"Business Day" means any day other than Saturday, Sunday and any other day on which banking institutions in the State of California are closed for business.

"Cash" means all cash, cash equivalents and liquid funds.

"Change in Control" means (a) at any time, any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of Securities Exchange Act of 1934, as amended), shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d) 5 under Securities Exchange Act of 1934, as amended), directly or indirectly, of forty-nine percent (49.0%) or more of the ordinary voting power for the election of directors, partners, managers and members, as applicable, of Company (determined on a fully diluted basis); (b) during any period of twelve (12) consecutive months, a majority of the members of the Board of Directors of Company cease to be composed of individuals (i) who were members of that Board of Directors on the first (1st) day of such period, (ii) whose election or nomination to that Board of Directors was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that Board of Directors or (iii) whose election or nomination to that Board of Directors was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that Board of Directors; or (c) at any time, Company shall cease to own and control, of record and beneficially, directly or indirectly, one hundred percent (100.0%) of each class of outstanding stock, partnership, membership, or other ownership interest or other equity securities of each other Borrower free and clear of all Liens (other than Permitted Liens).

"Charter" means, with respect to any Person, such Person's incorporation, formation or equivalent documents, as in effect from time to time.

"Clinical Milestone " means the satisfaction of each of the following events: (a) no Default or Event of Default shall have occurred and be continuing and (b) Borrower shall have delivered evidence satisfactory to Agent (as determined by Agent in its reasonable discretion) that Borrower has achieved the protocol-specified safety and efficacy primary endpoints for the registration directed clinical trial of BackBeat CNT (NCT06059638) which support the filing of a supplemental Premarket Approval as the next immediate step in development. For the avoidance of doubt, Borrower shall have achieved: (i) a statistically significant between group difference in the change of mean twenty-four (24) hour ambulatory systolic blood pressure (aSBP) from baseline to three (3) months post randomization and (ii) freedom from unanticipated serious adverse device events (USADE) in the treatment group at three (3) months.

"Clinical Milestone Date" means the date on which Borrower achieves the Clinical Milestone.

"Closing Date" means the date of this Agreement.

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Collateral Claim" means any and all present and future "claims" (used in its broadest sense, as contemplated by and defined in Section 101(5) of the Bankruptcy Code, but without regard to whether such claim would be disallowed under the Bankruptcy Code) of a Lender now or hereafter arising or existing under or relating to this Agreement and related Loan Documents, whether joint, several, or joint and several, whether fixed or indeterminate, due or not yet due, contingent or non-contingent, matured or unmatured, liquidated or unliquidated, or disputed or undisputed, whether under a guaranty or a letter of credit, and whether arising under contract, in tort, by law, or otherwise, any interest or fees thereon (including interest or fees that accrue after the filing of a petition by or against Borrower under the Bankruptcy Code, irrespective of whether allowable under the Bankruptcy Code), any costs of Enforcement Actions, including reasonable attorneys' fees and costs, and any prepayment or termination premiums.

"Compliance Certificate" means a certificate in the form attached hereto as Exhibit E.

"Contingent Obligation" means, as applied to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to (i) any Indebtedness, lease (excluding operating leases of real property), dividend, letter of credit or other obligation of another Person, including any such obligation directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable; (ii) any obligations with respect to undrawn letters of credit, corporate credit cards or merchant services issued for the account of that Person; and (iii) all obligations arising under any interest rate, currency or commodity swap agreement, interest rate cap agreement, interest rate collar agreement, or other agreement or arrangement designated to protect a Person against fluctuation in interest rates, currency exchange rates or commodity prices; provided, however, that the term "Contingent Obligation" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Contingent Obligation shall be deemed, without duplication of the primary obligation, to be an amount equal to the stated or determined amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith; provided, however, that such amount shall not in any event exceed the maximum amount of the obligations under the guarantee or other support arrangement.

"Copyright License" means any written agreement granting any right to use any Copyright or Copyright registration, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

"Copyrights" means all copyrights, whether registered or unregistered, held pursuant to the laws of the United States of America, any State thereof, or of any other country.

"Default" means any event, circumstance or condition that has occurred or exists, that would, with the passage of time or the requirement that notice be given or both, become an Event of Default.

"Deposit Accounts" means any "deposit accounts" as such term is defined in the UCC, and includes any checking account, savings account, or certificate of deposit.

"Division" means, in reference to any Person which is an entity, the division of such Person into two (2) or more separate Persons, with the dividing Person either continuing or terminating its existence as part of such division, including, without limitation, as contemplated under Section 18-217 of the Delaware Limited Liability Company Act for limited liability companies formed under Delaware law, Section 17-220 of the Delaware Revised Uniform Limited Partnership Act for limited partnerships formed under Delaware law, or any analogous action taken pursuant to any other applicable law with respect to any corporation, limited liability company, partnership or other entity.

"Domestic Subsidiary" means any Subsidiary organized under the laws of the United States of America, any State thereof, the District of Columbia, or any other jurisdiction within the United States of America.

"Due Diligence Fee" means Thirty Thousand Dollars ($30,000), which fee has been paid to Agent and received by Agent prior to the Closing Date, and shall be deemed fully earned on such date regardless of the early termination of this Agreement.

"Enforcement Action" means, with respect to any Lender and with respect to any Collateral Claim of such Lender or any item of Collateral in which such Lender has or claims a security interest lien or right of offset, any action, whether judicial or nonjudicial, to repossess, collect, accelerate, offset, recoup, give notification to third parties with respect to, sell, dispose of, foreclose upon, give notice of sale, disposition, or foreclosure with respect to, or obtain equitable or injunctive relief with respect to, such Collateral Claim or Collateral. The filing, or the joining in the filing, by any Lender of an involuntary bankruptcy or Insolvency Proceeding against Borrower also is an Enforcement Action.

"Equity Interests" means, with respect to any Person, the capital stock, partnership or limited liability company interest, or other equity securities or equity ownership interests of such Person.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"Excluded Accounts" means any of the following Deposit Accounts which are designated as such in writing to Agent as of the Closing Date or, with respect to any Deposit Account opened after the Closing Date, in the next Compliance Certificate delivered after such Deposit Account is opened: (i) Deposit Accounts exclusively used for payroll, payroll taxes, and other employee wage and benefit payments to or for the benefit of Borrower's employees holding an aggregate amount across all such accounts of not more than amounts needed for the then-next two (2) payroll cycles, (b) any Deposit Account which is a zero-balance disbursement account, (c) any Deposit Account which is solely used for disbursements and payments of withheld income taxes, payroll taxes and/or federal, state or local employee taxes, (d) any Deposit Account which is solely used as a trust account, escrow account, or other fiduciary account, (e) any Deposit Account maintained in Israel by any Subsidiary organized or operating in Israel, subject to the limitations set forth in Section 7.12(b), (f) any Deposit Accounts maintained with Silicon Valley Bank that are set forth in the Perfection Certificate on the Closing Date (the "Existing SVB Accounts"), so long as the balance of all such Excluded Accounts under this clause (f) does not exceed [***] in the aggregate at any time and (g) any Deposit Account solely used to hold cash and Cash Equivalents subject to Permitted Liens under clause (n) of the definition thereof.

"FDA" means the U.S. Food and Drug Administration or any successor thereto.

"FDA Laws" means all applicable statutes, rules, regulations, and orders and Requirements of Law administered, implemented, enforced or issued by FDA.

"Federal Health Care Program Laws" means collectively, federal Medicare or federal or state Medicaid statutes, the exclusion laws (42 U.S.C. § 1320a-7), the civil monetary penalties law (42 U.S.C. § 1320a-7a), all federal and state fraud and abuse laws, including, without limitation, the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b), the Physician Payments Sunshine Act (42 U.S.C. § 1320a-7h), the civil False Claims Act of 1863 (31 U.S.C. § 3729 et seq.), criminal false claims statutes (e.g., 18 U.S.C. §§ 287 and 1001), the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. § 3801 et seq.), HIPAA, or related regulations or other Requirements of Law applicable to Borrower that directly or indirectly govern the health care industry, programs of governmental authorities related to healthcare, health care professionals or other health care participants, or relationships among health care providers, suppliers, distributors, manufacturers and patients.

"Financing Milestone I" means satisfaction of each of the following events, subject to reasonable verification by Agent (including supporting documentation reasonably requested by Agent):

(a) no Default or Event of Default shall have occurred and be continuing;

(b) [***]; and

(c) Company has raised at least [***].

"Financing Milestone I Date" means the date on which Borrower achieves Financing Milestone I.

"Financing Milestone II" means satisfaction of each of the following events, subject to reasonable verification by Agent (including supporting documentation reasonably requested by Agent): (a) no Default or Event of Default shall have occurred and be continuing; and (b) Company has raised at least [***].

"Financing Milestone II Date" means the date on which Borrower achieves Financing Milestone II.

"First Interest Only Extension Condition" means that the Financing Milestone I Date has occurred on or prior to [***].

"Foreign Subsidiary" means a Subsidiary other than any Domestic Subsidiary.

"GAAP" means generally accepted accounting principles in the United States of America, as in effect from time to time.

"Governmental Approval" means any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority.

"Governmental Authority" means any federal, state, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof (including the FDA) or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state or locality of the United States, the United States, or a foreign government.

"Guarantor" means any Subsidiary of Borrower that enters into a Guaranty.

"Guaranty" means a guaranty with respect to the Secured Obligations, in form and substance satisfactory to Agent that may be entered into from time to time, as the same may from time to time be amended, restated, modified or otherwise supplemented.

"Indebtedness" means indebtedness of any kind, including (a) all indebtedness for borrowed money or the deferred purchase price of property or services (excluding trade credit entered into in the ordinary course of business due within one hundred twenty (120) days), including reimbursement and other obligations with respect to surety bonds and letters of credit, (b) all obligations evidenced by notes, bonds, debentures or similar instruments, (c) all capital lease obligations, (d) all equity securities of any Person subject to repurchase or redemption other than at the sole option of such Person, (e) "earnouts", purchase price adjustments, profit sharing arrangements, deferred purchase money amounts and similar payment obligations or continuing obligations of any nature arising out of purchase and sale contracts (other than earn-out payments owing pursuant to that certain Patent Purchase Agreement dated as of May 19, 2011 between G&L Consulting, LLC and BackBeat to the extent such obligations do not exceed [***] in the aggregate or are not required to be reflected as liabilities on a balance sheet in accordance with GAAP), (f) obligations arising under bonus, deferred compensation, incentive compensation or similar arrangements (other than those arising in the ordinary course of business), (g) non-contingent obligations to reimburse any bank or Person in respect of amounts paid under a letter of credit, banker's acceptance or similar instrument, and (h) all Contingent Obligations.

"Initial Facility Charge" means One Hundred Twelve Thousand Five Hundred Dollars ($112,500), which is payable to Lenders in accordance with Section 4.1(h).

"Insolvency Proceeding" means any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy, liquidation, moratorium, receivership, or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, administration, arrangement, receivership or other similar relief proceedings in the applicable jurisdiction from time to time in effect and affecting the rights of creditors generally.

"Intellectual Property" means all of Borrower's Copyrights; Trademarks; Patents; Licenses; trade secrets and inventions; mask works; Borrower's applications therefor and reissues, extensions, or renewals thereof; and Borrower's goodwill associated with any of the foregoing, together with Borrower's rights to sue for past, present and future infringement of Intellectual Property and the goodwill associated therewith.

"Intellectual Property Security Agreement" means the Intellectual Property Security Agreement dated as of the Closing Date between Borrower and Agent as the same may from time to time be amended, restated, modified or otherwise supplemented.

"Investment" means (a) any beneficial ownership (including stock, partnership interests, limited liability company interests, or other equity securities or ownership interests) of or in any Person, (b) any loan, advance or capital contribution to any Person, (c) any Acquisition, or (d) other transfers on behalf of or in connection with any equity ownership or similar transfers.

"IRS" means the United States Internal Revenue Service.

"Joinder Agreements" means for each Subsidiary required to join as a Borrower or as a Guarantor pursuant to Section 7.13, a completed and executed Joinder Agreement in substantially the form attached hereto as Exhibit F.

"License" means any Copyright License, Patent License, Trademark License or other Intellectual Property license of rights or interests.

"Lien" means any mortgage, deed of trust, pledge, hypothecation, assignment for security, security interest, encumbrance, levy, lien or charge of any kind, whether voluntarily incurred or arising by operation of law or otherwise, against any property, any conditional sale or other title retention agreement, and any lease in the nature of a security interest.

"Loan" means the Advances made under this Agreement.

"Loan Documents" means this Agreement, the promissory notes (if any), the ACH Authorization, the Account Control Agreements, any Joinder Agreement, any Guaranty, any Warrant, the Pledge Agreement, the Intellectual Property Security Agreement and any other documents executed in connection with the Secured Obligations or the transactions contemplated hereby, as the same may from time to time be amended, modified, supplemented or restated.

"Loan Party" means Borrower or any Guarantor.

"Market Capitalization" means, for any given date of determination, an amount equal to (a) the average of the daily volume weighted average price of Company's common Equity Interests as reported for each of the five (5) Trading Days preceding such date of determination *multiplied by* (b) the total number of issued and outstanding shares of Company's common Equity Interests that are issued and outstanding on the date of the determination and listed on the Principal Stock Exchange, subject to appropriate adjustment for any stock dividend, stock split, stock combination, reclassification or other similar transaction during the applicable calculation period.

"Market Disruption Event" means any of the following events: (a) any suspension of, or limitation imposed on, trading by the Principal Stock Exchange in shares of common Equity Interests during any period or periods aggregating one hour or longer and whether by reason of movements in price exceeding limits permitted by the Principal Stock Exchange or otherwise relating to the common

Equity Interests; or (b) the failure to open of the exchange or quotation system on which the common Equity Interests are traded or the closure of such exchange or quotation system prior to its respective scheduled closing time for the regular trading session on such day (without regard to after hours or other trading outside the regular trading session hours).

"Material Adverse Effect" means a material adverse effect upon: (i) the business, operations, properties, assets or financial condition of Borrower and its Subsidiaries taken as a whole; or (ii) the ability of Borrower to perform or pay the Secured Obligations in accordance with the terms of the Loan Documents, or the ability of Agent or Lenders to enforce any of its rights or remedies with respect to the Secured Obligations; or (iii) the Collateral or Agent's Liens on the Collateral or the priority of such Liens.

"Material Agreement" means each of (a) the Medtronic License Agreement, (b) the Terumo Agreement, (c) any other license, agreement or other contractual arrangement with either Medtronic, Inc. or Terumo Corporation, or any of their respective Affiliates and (d) any other license, agreement or other contractual arrangement involving the receipt or payment of amounts in the aggregate exceeding [***] per fiscal year.

"Material Regulatory Liabilities" means (i) any liabilities arising from the violation of applicable Public Health Laws, Federal Health Care Program Laws, and other applicable comparable Requirements of Law, or from any requirements imposed relative to any Registrations (including costs of actions required under applicable Requirements of Law, including FDA Laws and Federal Health Care Program Laws, or necessary to remedy any violation of any terms or conditions applicable to any Registrations), including, but not limited to, withdrawal of approval, recall, revocation, suspension, import detention and seizure of any Borrower Product, and (ii) any loss of recurring annual revenues as a result of any loss, suspension or limitation of any Registrations, which, in the case of the foregoing clauses (i) and (ii), could reasonably be expected to result in a Material Adverse Effect.

"Maximum Term Loan Amount" means $50,000,000.

"Medtronic License Agreement" means that certain Exclusive License and Collaboration Agreement, by and among BioMed, BackBeat and Medtronic, Inc. dated June 30, 2022.

[***]

[***]

"Non-Disclosure Agreement" means that certain Confidentiality and Non-Disclosure Agreement by and between BioMed and Hercules Capital, Inc. dated as of March 30, 2022.

"OFAC" means the U.S. Department of Treasury Office of Foreign Assets Control.

"OFAC Lists" means, collectively, the Specially Designated Nationals and Blocked Persons List maintained by OFAC pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) and/or any other list of terrorists or other restricted Persons maintained pursuant to any of the rules and regulations of OFAC or pursuant to any other applicable Executive Orders.

"Organizational Documents" means with respect to any Person, such Person's Charter, and (a) if such Person is a corporation, its bylaws, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its

partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"Patent License" means any written agreement granting any right with respect to any invention on which a Patent is in existence or a Patent application is pending, in which agreement Borrower now holds or hereafter acquires any interest.

"Patents" means all letters patent of, or rights corresponding thereto, in the United States of America or in any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto, in the United States of America or any other country.

"Perfection Certificate" means a completed certificate entitled "Perfection Certificate", dated as of the Closing Date, delivered by Company to Agent and Lenders, signed by Company (as amended pursuant to the terms of this Agreement).

"Performance Milestone" means Borrower's achievement of each of (a) Financing Milestone I or Financing Milestone II and (b) the Clinical Milestone.

"Performance Milestone Date" means the date on which Borrower achieves the Performance Milestone.

"Permitted Indebtedness" means:

(a) Indebtedness of Borrower in favor of any Lender or Agent arising under this Agreement or any other Loan Document;

(b) Indebtedness existing on the Closing Date which is disclosed in Schedule 1A;

(c) Indebtedness of up to [***] outstanding at any time secured by a Lien described in clause (g) of the defined term "Permitted Liens", provided that such Indebtedness does not exceed the cost of the Equipment, software or other Intellectual Property financed with such Indebtedness;

(d) Indebtedness to trade creditors incurred in the ordinary course of business (due within one hundred (120) days), including such Indebtedness incurred in the ordinary course of business with corporate credit cards in an aggregate outstanding amount with respect to such corporate credit cards not to exceed [***] at any time;

(e) Indebtedness that also constitutes a Permitted Investment or is secured by a Permitted Lien;

(f) Subordinated Indebtedness;

(g) reimbursement obligations in connection with letters of credit that are at any time outstanding and issued on behalf of Borrower or a Subsidiary in an amount not to exceed [***];

(h) other unsecured Indebtedness in an amount not to exceed [***] at any time outstanding;

(i) intercompany Indebtedness of any Loan Party owing to another Loan Party; and

(j) extensions, refinancings and renewals of any items of Permitted Indebtedness, provided that the principal amount is not increased or the terms modified to impose materially more burdensome terms upon Borrower or the applicable Subsidiary, as the case may be, and subject to any limitations on the aggregate amount of such Indebtedness.

"Permitted Investment" means:

(a) Investments existing on the Closing Date which are disclosed in Schedule 1B;

(b) (i) marketable direct obligations issued or unconditionally guaranteed by the United States of America or any agency or any State thereof maturing within one year from the date of acquisition thereof currently having a rating of at least A-2 or P-2 from either Standard & Poor's Corporation or Moody's Investors Services, (ii) commercial paper maturing no more than one year from the date of creation thereof and currently having a rating of at least A-2 or P-2 from either Standard & Poor's Corporation or Moody's Investors Services, (iii) certificates of deposit issued by any bank with assets of at least Five Hundred Million Dollars ($500,000,000) maturing no more than one year from the date of investment therein, and (iv) money market accounts;

(c) repurchases of stock of Borrower from former employees, directors, or consultants of Borrower under the terms of applicable repurchase agreements at the original issuance price of such securities in an aggregate amount not to exceed [***] in any fiscal year, provided that no Event of Default has occurred, is continuing or could exist after giving effect to the repurchases;

(d) Investments accepted in connection with Permitted Transfers;

(e) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of Borrower's business;

(f) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business, provided that this clause (f) shall not apply to Investments of any Loan Party in any Subsidiary of a Loan Party;

(g) Investments consisting of loans not involving the net transfer on a substantially contemporaneous basis of cash proceeds to employees, officers or directors relating to the purchase of capital stock of Borrower pursuant to employee stock purchase plans or other similar agreements approved by Borrower's Board;

(h) Investments consisting of travel advances in the ordinary course of business;

(i) Investment in any other Loan Party (including newly-formed Domestic Subsidiaries, provided that each such Domestic Subsidiary enters into a Joinder Agreement promptly after its formation and executes such other documents as shall be reasonably requested by Agent);

(j) Investments in Foreign Subsidiaries that are not Loan Parties either (i) in an aggregate amount not to exceed [***] to the extent necessary to finance the operations of such Foreign Subsidiaries in the ordinary course of business or (ii) otherwise if approved in advance in writing by Agent;

(k) joint ventures or strategic alliances in the ordinary course of Borrower's business consisting of the nonexclusive licensing of technology, the development of technology or the providing of technical support, provided that any cash Investments by Borrower [***] in the aggregate in any fiscal year; and

(l) additional Investments that do not exceed [***] in the aggregate.

"Permitted Liens" means:

(a) Liens in favor of Agent or Lenders;

(b) Liens existing on the Closing Date which are disclosed in Schedule 1C;

(c) Liens for taxes, fees, assessments or other governmental charges or levies, either not yet due or being contested in good faith by appropriate proceedings diligently conducted; provided, that Borrower maintains adequate reserves therefor on Borrower's Books in accordance with GAAP;

(d) Liens securing claims or demands of materialmen, artisans, mechanics, carriers, warehousemen, landlords and other like Persons arising in the ordinary course of Borrower's business and imposed without action of such parties; provided, that the payment thereof is not yet required;

(e) Liens arising from judgments, decrees or attachments in circumstances which do not constitute an Event of Default hereunder;

(f) the following deposits, to the extent made in the ordinary course of business: deposits under worker's compensation, unemployment insurance, social security and other similar laws, or to secure the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure indemnity, performance or other similar bonds for the performance of bids, tenders or contracts (other than for the repayment of borrowed money) or to secure statutory obligations (other than Liens arising under ERISA or environmental Liens) or surety or appeal bonds, or to secure indemnity, performance or other similar bonds;

(g) Liens on Equipment or software or other intellectual property constituting purchase money Liens and Liens in connection with capital leases securing Indebtedness permitted in clause (c) of "Permitted Indebtedness";

(h) Liens incurred in connection with Subordinated Indebtedness;

(i) leasehold interests in leases or subleases and licenses (other than with respect to Intellectual Property) granted in the ordinary course of business and not interfering in any material respect with the business of the licensor;

(j) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of custom duties that are promptly paid on or before the date they become due;

(k) Liens on insurance proceeds securing the payment of financed insurance premiums that are promptly paid on or before the date they become due (provided that such Liens extend only to such insurance proceeds and not to any other property or assets);

(l) statutory and common law rights of set-off and other similar rights as to deposits of cash and securities in favor of banks, other depository institutions and brokerage firms;

(m) easements, servitudes, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business so long as they do not materially impair the value or marketability of the related property;

(n) (i) Liens on Cash securing obligations permitted under clause (g) of the definition of Permitted Indebtedness and (ii) security deposits in connection with real property leases and corporate credit cards, the combination of (i) and (ii) in an aggregate amount not to exceed [***] at any time; and

(o) licenses that qualify as Permitted Transfers;

(p) additional Liens so long as (i) such Liens do not secure debt for borrowed money, (ii) such Liens attach to specific, and not substantially all of the, assets of the Company or any of its Subsidiaries, and (iii) the aggregate principal amount of the obligations secured thereby does not exceed [***] at any time outstanding; and

(q) Liens incurred in connection with the extension, renewal or refinancing of the Indebtedness secured by Liens of the type described in clauses (a) through (n) above; provided, that any extension, renewal or replacement Lien shall be limited to the property encumbered by the existing Lien and the principal amount of the Indebtedness being extended, renewed or refinanced (as may have been reduced by any payment thereon) does not increase.

"Permitted Transfers" means:

(a) sales of Inventory in the ordinary course of business;

(b) licenses and similar arrangements for the use of Intellectual Property in the ordinary course of business on an arms' length basis, including in connection with business development transactions, co-development or co-promotion transactions, collaborations, licensing, partnering or similar transactions with third parties and that are entered into with commercially reasonable terms, that could not result in a legal transfer of title of the licensed property that may be exclusive in respects other than territory or may be exclusive as to territory but only as to discrete geographical areas outside of the United States of America in the ordinary course of business (provided that the Medtronic License Agreement, the Terumo Agreement and any license entered into in connection with the Terumo Restructuring may be exclusive as to all territories);

(c) transfers by and among Borrower and Loan Parties;

(d) transfers constituting the making of Permitted Investments, or the granting of Permitted Liens;

(e) dispositions of worn-out, obsolete or surplus Equipment at fair market value in the ordinary course of business;

(f) sales of Borrower's equity interests in Vivasure Medical US, Inc.; and

(g) other transfers of assets having a fair market value of not more than [***] in the aggregate in any fiscal year.

"Person" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, other entity or government.

"Pledge Agreement" means the Pledge Agreement dated as of the Closing Date between each Borrower party thereto and Agent, as the same may from time to time be amended, restated, modified or otherwise supplemented.

"Prime Rate" means the "prime rate" as reported in *The Wall Street Journal* or any successor publication thereto.

"Principal Stock Exchange" means the NASDAQ or, if the common Equity Interests are not listed on the NASDAQ, the principal national securities exchange or public quotation system on which the common Equity Interests are then listed for trading or quoted.

"Public Health Laws" means all Requirements of Law relating to the procurement, development, clinical and non-clinical evaluation, product approval or licensure, manufacture, production, analysis, distribution, dispensing, importation, exportation, use, handling, quality, sale, labeling, promotion, clinical trial registration or post market requirements of any drug product (including, without limitation, any ingredient or component of the foregoing products) subject to regulation under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. § 301 et seq.) and the Public Health Service Act (42 U.S.C. § 282(j)), including without limitation all applicable regulations promulgated by the FDA at Title 21 of the Code of Federal Regulations and all applicable regulations promulgated by the National Institutes of Health ("NIH") and codified at Title 42, Part 11 of the Code of Federal Regulations.

"Qualified Cash" means an amount equal to (a) the amount of Borrower's Cash held in accounts subject to an Account Control Agreement in favor of Agent, *minus* (b) the Qualified Cash A/P Amount.

"Qualified Cash A/P Amount" means the amount of Borrower's accounts payable under GAAP not paid after the 90th day following the invoice for such account payable.

"Receivables" means (i) all of Borrower's Accounts, Instruments, Documents, Chattel Paper, Supporting Obligations, letters of credit, proceeds of any letter of credit, and Letter of Credit Rights, and (ii) all customer lists, software, and business records related thereto.

"Registration" means any registration, authorization, approval, license, permit, clearance, certificate, and exemption issued or allowed by the FDA or state pharmacy licensing authorities (including, without limitation, new drug applications, abbreviated new drug applications, investigational new drug applications, pricing and reimbursement approvals, labelling approvals or their foreign equivalent, and wholesale distributor permits).

"Regulatory Action" means an administrative or regulatory enforcement action, proceeding or investigation, warning letter, untitled letter, Form 483 or similar inspectional observations, other written notice of violation letter, recall, seizure, "Section 305 notice" or other similar written communication, or consent decree, issued or required by the FDA or the NIH under the Public Health Laws or by a comparable governmental authority under similar Requirements of Law in any other regulatory jurisdiction.

"Requirements of Law" means, with respect to any Person, collectively, the common law and all federal, state, provincial, local, foreign, multinational or international laws, statutes, codes, treaties,

standards, rules and regulations, ordinances, orders, judgments, writs, injunctions, decrees (including administrative or judicial precedents or authorities), in each case that are applicable to and binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Restricted License" means any material License or other agreement with respect to which Borrower is the licensee (a) that prohibits or otherwise restricts Borrower from granting a security interest in Borrower's interest in such License or agreement or any other property, or (b) for which a default under or termination of could interfere with Agent's right to sell any Collateral.

"Sanctioned Country" means, at any time, a country or territory which is the subject or target of any Sanctions.

"Sanctioned Person" means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or by the United Nations Security Council, the European Union or any EU member state, (b) any Person operating, organized or resident in a Sanctioned Country or (c) any Person controlled by any such Person.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union or His Majesty's Treasury of the United Kingdom.

"SBA Funding Date" means each date on which a Lender which is an SBIC funds any portion of the Loan.

"Second Interest Only Extension Condition" means that the Performance Milestone Date has occurred on or prior to [***].

"Secured Obligations" means Borrower's obligations under this Agreement and any Loan Document, including any obligation to pay any amount now owing or later arising.

"Subordinated Indebtedness" means Indebtedness subordinated to the Secured Obligations in amounts and on terms and conditions satisfactory to Agent in its sole discretion and subject to a subordination agreement in form and substance satisfactory to Agent in its sole discretion.

"Subsequent Financing" means the closing of any sale of Equity Interests of the Borrower which becomes effective after the Closing Date and results in aggregate proceeds to Borrower of at least $10,000,000.

"Subsidiary" means an entity, whether a corporation, partnership, limited liability company, joint venture or otherwise, in which Borrower owns or controls, either directly or indirectly, fifty percent (50%) or more of the outstanding voting securities, including each entity listed on Schedule 5.14 hereto.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, linkage differentials, additions to tax or penalties applicable thereto.

"Term Commitment" means as to any Lender, the obligation of such Lender, if any, to make a Term Loan Advance to Borrower in a principal amount not to exceed the amount set forth under the heading "Tranche 1 Commitment", "Tranche 2-A Commitment", "Tranche 2-B Commitment" or "Tranche 3 Commitment" opposite such Lender's name on Schedule 1.1.

"Term Loan" means any Term Loan Advance made under this Agreement.

"Term Loan Advance" means each Tranche 1 Advance, Tranche 2-A Advance, Tranche 2-B Advance, Tranche 3 Advance and any other funds advanced under Section 2.1(a).

"Term Loan Interest Rate" means, for any day, a per annum rate of interest equal to the greater of (i) (x) the Prime Rate *plus* (y) 2.0%, and (ii) 9.50%.

"Term Loan Maturity Date" means November 6, 2028.

"Terumo Agreement" means collectively (i) that certain Distribution Agreement, by and among

BioMed, Terumo Corporation and Terumo Medical Corporation dated June 13, 2019, as amended by that Amendment to Distribution Agreement, dated as of June 30, 2020 and (ii) that certain letter agreement, dated June 20, 2022, between BioMed, Terumo Corporation and Terumo Medical Corporation.

"Terumo Restructuring" means the re-negotiation of the Terumo Agreement as disclosed by the Company to Agent prior to the Closing Date, provided that any agreements entered into in connection with the Terumo Restructuring shall be among the same parties as the Terumo Agreement.

"Testing Effective Date" means April 1, 2025; provided, however, that such date shall be extended to December 1, 2025 upon Borrower's achievement of either Financing Milestone I or Financing Milestone II; provided that testing of the Minimum Cash financial covenant set forth in Section 7.20 shall be suspended until December 1, 2025 if the Financing Milestone I Date or the Financing Milestone II Date occurs after April 1, 2025 but prior to December 1, 2025.

"Trademark License" means any written agreement granting any right to use any Trademark or Trademark registration, now owned or hereafter acquired by Borrower or in which Borrower now holds or hereafter acquires any interest.

"Trademarks" means all trademarks (registered, common law or otherwise) and any applications in connection therewith, including registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States of America, any State thereof or any other country or any political subdivision thereof.

"Trading Day" means any day on which (a) there is no Market Disruption Event and (b) the Principal Stock Exchange is open for trading; provided that a "Trading Day" only includes those days that have a scheduled closing time of 4:00 p.m. (Eastern time) or the then standard closing time for regular trading on the relevant exchange or trading system.

"Tranche" means the Tranche 1 Advance, Tranche 2-A Advance, Tranche 2-B Advance and/or the Tranche 3 Advance, as applicable.

"Tranche 1 Commitment" means as to any Lender, the obligation of such Lender, if any, to make a Term Loan Advance to Borrower in a principal amount not to exceed the amount set forth under the heading Tranche 1 Commitment opposite such Lender's name on Schedule 1.1.

"Tranche 2 Facility Charge" means three quarters percent (0.75%) of the principal amount of any Tranche 2-A Advance or Tranche 2-B Advance, which is payable to Lenders in accordance with Section 4.2(d).

"Tranche 2-A Commitment" means as to any Lender, the obligation of such Lender, if any, to make a Term Loan Advance to Borrower in a principal amount not to exceed the amount set forth under the heading Tranche 2-A Commitment opposite such Lender's name on Schedule 1.1.

"Tranche 2-B Commitment" means as to any Lender, the obligation of such Lender, if any, to make a Term Loan Advance to Borrower in a principal amount not to exceed the amount set forth under the heading Tranche 2-B Commitment opposite such Lender's name on Schedule 1.1.

"Tranche 3 Commitment" means as to any Lender, the obligation of such Lender, if any, to make a Term Loan Advance to Borrower in a principal amount not to exceed the amount set forth under the heading Tranche 3 Commitment opposite such Lender's name on Schedule 1.1.

"Tranche 3 Facility Charge" means three quarters percent (0.75%) of the principal amount of any Tranche 3 Advance, which is payable to Lenders in accordance with Section 4.2(e).

"U.S. Person" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

"UCC" means the Uniform Commercial Code as the same is, from time to time, in effect in the State of California; provided, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Agent's Lien on any Collateral is governed by the Uniform Commercial Code as the same is, from time to time, in effect in a jurisdiction other than the State of California, then the term "UCC" shall mean the Uniform Commercial Code as in effect, from time to time, in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

[***]

1.2 Certain Additional Defined Terms. The following terms are defined in the Sections or subsections referenced opposite such terms:

Defined Term	Section
"Agent"	Preamble
"Assignee"	11.13
"Borrower"	Preamble
"Claims"	11.10
"Collateral"	3
"Confidential Information"	11.12

“End of Term Charge”	2.5(b)
“Event of Default”	9
“Financial Statements”	7.1
“Israeli Security Documents”	7.13(b)
“Israeli Security Requirements”	7.13(b)
“Lenders”	Preamble
“Maximum Rate”	2.2
“Prepayment Charge”	2.4
“Process Letter”	Addendum 5
“Publicity Materials”	11.18
“Register”	11.7
“Rights to Payment”	1.1
“SBA”	7.16
“SBIC”	7.16
“SBIC Act”	7.16

1.3 Unless otherwise specified, all references in this Agreement or any Annex or Schedule hereto to a “Section,” “subsection,” “Exhibit,” “Annex,” or “Schedule” shall refer to the corresponding Section, subsection, Exhibit, Annex, or Schedule in or to this Agreement. Unless otherwise specifically provided herein, any accounting term used in this Agreement or the other Loan Documents shall have the meaning customarily given such term in accordance with GAAP as in effect on the date hereof, and all financial computations hereunder shall be computed in accordance with GAAP as in effect on the date hereof, consistently applied. Unless otherwise defined herein or in the other Loan Documents, terms that are used herein or in the other Loan Documents and defined in the UCC shall have the meanings given to them in the UCC. For all purposes under the Loan Documents, in connection with any Division or plan of Division under Delaware law (or any comparable event under a different jurisdiction’s laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

1.4 If at any time any change in GAAP would affect the computation of any financial requirement set forth in any Loan Document, and either Borrower or the Required Lenders shall so

request, Agent, Lenders and Borrower shall negotiate in good faith to amend such requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, such requirement shall continue to be computed in accordance with GAAP prior to such change.

1.5 Any reference in any Loan Document to a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a Division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a Division or allocation), as if it were a merger, transfer, consolidation, amalgamation, consolidation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person. Any Division of a limited liability company shall constitute a separate Person under the Loan Documents (and each Division of any limited liability company that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity) on the first date of its existence. In connection with any Division, if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then such asset shall be deemed to have been transferred from the original Person to the subsequent Person.

SECTION 2
THE LOAN

2.1 Term Loan Advances.

(a) Advances.

(i) *Tranche 1*. Subject to the terms and conditions of this Agreement, on the Closing Date, Lenders will severally (and not jointly) make, and Borrower agrees to draw, a Term Loan Advance of Fifteen Million Dollars ($15,000,000) (such Term Loan Advance, the "Tranche 1 Advance").

(ii) *Tranche 2-A*. Subject to the terms and conditions of this Agreement, at any time beginning on the Financing Milestone I Date and continuing through the earlier to occur of (A) the date that is one hundred twenty (120) days from the Financing Milestone I Date and (B) April 30, 2026, Borrower may request and Lenders shall severally (and not jointly) make up to two (2) additional Term Loan Advances, either as a single Term Loan Advance of Seven Million Five Hundred Thousand Dollars ($7,500,000) or an initial Term Loan Advance of Five Million Dollars ($5,000,000) and, at Borrower's election, a subsequent Term Loan Advance of Two Million Five Hundred Thousand Dollars ($2,500,000) (such Term Loan Advances, the "Tranche 2-A Advances").

(iii) *Tranche 2-B*. Subject to the terms and conditions of this Agreement, any time beginning on the Performance Milestone Date and continuing through the earlier to occur of (A) the date that is one hundred twenty (120) days from the Performance Milestone Date and (B) September 30, 2026, Borrower may request and Lenders shall severally (and not jointly) make up to three (3) additional Term Loan Advances in minimum increments of Five Million Dollars ($5,000,000) (or if less, the remaining amount of Term Loan Advances available to be drawn pursuant to this Section 2.1(a)(iii)) in an aggregate principal amount up to the difference of Fifteen Million Dollars ($15,000,000) *minus* the aggregate original principal amount of all Tranche 2-A

Advances made by the Lenders (such Term Loan Advances, the "Tranche 2-B Advances").

(iv) *Tranche 3*. Subject to the terms and conditions of this Agreement, Borrower may request and Lenders shall severally (and not jointly) make, on or prior to the Amortization Date but only following and conditioned on the approval by the Lender's investment committee in its sole and unfettered discretion, in each case, one or more additional Term Loan Advances in minimum increments of Five Million Dollars ($5,000,000) (or if less, the remaining amount of Term Loan Advances available to be drawn pursuant to this Section 2.1(a)(iv)) in an aggregate principal amount up to Twenty Million Dollars ($20,000,000) (such Term Loan Advances, the "Tranche 3 Advances").

The aggregate outstanding Term Loan Advances shall not exceed the Maximum Term Loan Amount. Each Term Loan Advance of each Lender shall not exceed its respective Term Commitment.

(b) Advance Request. To obtain a Term Loan Advance, Borrower shall complete, sign and deliver an Advance Request to Agent at least one (1) Business Day before the Closing Date and at least five (5) Business Days before each Advance Date (other than the Closing Date). Lenders shall fund the Term Loan Advance in the manner requested by the Advance Request provided that each of the conditions precedent set forth in Section 4 and applicable to such Term Loan Advance is satisfied as of the requested Advance Date. The proceeds of any Term Loan Advance shall be deposited into an account that is subject to an Account Control Agreement.

(c) Interest. The principal balance of each Term Loan Advance shall bear interest thereon from such Advance Date at the Term Loan Interest Rate based on a year consisting of three hundred sixty (360) days, with interest computed daily based on the actual number of days elapsed. The Term Loan Interest Rate will float and change on the day the Prime Rate changes from time to time.

(d) Payment. Borrower will pay accrued but unpaid interest on each Term Loan Advance on the first calendar day of each month (each such date, a "Payment Date"), beginning the month after the Advance Date. Borrower shall repay the aggregate principal balance of the Term Loan Advances that is outstanding on the day immediately subsequent to the Amortization Date, in equal monthly installments of principal and interest (mortgage style) beginning on the Amortization Date and continuing on the first calendar day of each month thereafter until the Secured Obligations (other than inchoate indemnity obligations which, by their terms, survive termination of this Agreement) are repaid; provided, however, that, in the event that Amortization Date occurs and the Second Interest Only Extension Condition is satisfied thereafter, no further payment of principal with respect to the Term Loan Advances shall be required until December 1, 2027 and payments of principal and interest (mortgage style) shall re-commence on such date. The entire principal balance of the Term Loan Advances and all accrued but unpaid interest hereunder, shall be due and payable on the Term Loan Maturity Date. Borrower shall make all payments under this Agreement without setoff, recoupment or deduction and regardless of any counterclaim or defense. If a payment hereunder becomes due and payable on a day that is not a Business Day, the due date thereof shall be the immediately subsequent Business Day. Agent or Lenders will initiate debit entries to Borrower's account as authorized on the ACH Authorization (i) on each Payment Date of all periodic obligations payable to Lenders under each Term Loan Advance and (ii) out-of-pocket legal fees and costs incurred by Agent or Lenders in connection with Section 11.12; provided that, with respect to clause (i) above, in the event that Lenders or Agent informs Borrower that Lenders will not initiate a debit

entry to Borrower's account for a certain amount of the periodic obligations due on a specific Payment Date, Borrower shall pay to Lenders, such amount of periodic obligations in full in immediately available funds on such Payment Date; provided, further, that, with respect to clause (i) above, if Lenders or Agent informs Borrower that Lenders will not initiate a debit entry as described above later than the date that is three (3) Business Days prior to such Payment Date, Borrower shall pay to Lenders such amount of periodic obligations in full in immediately available funds on the date that is three (3) Business Days after the date on which Lenders or Agent notifies Borrower of such; provided, further, that, with respect to clause (ii) above, in the event that Lenders or Agent informs Borrower that Lenders will not initiate a debit entry to Borrower's account for specified out-of-pocket legal fees and costs incurred by Agent or Lenders, Borrower shall pay to Lenders such amount in full in immediately available funds within three (3) Business Days.

2.2 Maximum Interest. Notwithstanding any provision in this Agreement or any other Loan Document, it is the parties' intent not to contract for, charge or receive interest at a rate that is greater than the maximum rate permissible by law that a court of competent jurisdiction shall deem applicable hereto (which under the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans) (the "Maximum Rate"). If a court of competent jurisdiction shall finally determine that Borrower has actually paid to Lenders an amount of interest in excess of the amount that would have been payable if all of the Secured Obligations had at all times borne interest at the Maximum Rate, then such excess interest actually paid by Borrower shall be applied as follows: first, to the payment of the Secured Obligations consisting of the outstanding principal; second, after all principal is repaid, to the payment of Lenders' accrued interest, costs, expenses, professional fees and any other Secured Obligations; and third, after all Secured Obligations are repaid, the excess (if any) shall be refunded to Borrower.

2.3 Default Interest. In the event any payment is not paid on the scheduled payment date, an amount equal to four percent (4%) of such past due amount shall be payable on demand. In addition, upon the occurrence and during the continuation of an Event of Default hereunder, all Secured Obligations, including principal, interest, compounded interest, and professional fees, shall bear interest at a rate per annum equal to the rate set forth in Section 2.1(c), plus four percent (4%) per annum. In the event any interest is not paid when due hereunder, delinquent interest shall be added to principal and shall bear interest on interest, compounded at the rate set forth in Section 2.1(c) or this Section 2.3, as applicable.

2.4 Prepayment. At its option, Borrower may prepay at any time all or a portion the outstanding Advances by paying the entire principal balance (or such portion thereof), all accrued and unpaid interest thereon, all unpaid Lender's fees and expenses due hereunder accrued to the date of the repayment (including, without limitation, the portion of the End of Term Charge applicable to the aggregate original principal amount of the Term Loan Advances being prepaid in accordance with Section 2.5, together with a prepayment charge equal to the following percentage of the outstanding principal amount of such Advance amount being so prepaid: with respect to each Advance (a) if the principal amount of such Advance amounts are prepaid on or prior to the date which is twelve (12) months following the Closing Date, three percent (3.00%); (b) if the principal amount of such Advance amounts are prepaid after the date which is twelve (12) months following the Closing Date but on or prior to the date which is twenty-four (24) months following the Closing Date, two percent (2.00%); and (c) thereafter through the day before the Term Loan Maturity Date, one percent (1.00%) (each, a "Prepayment Charge"). Borrower agrees that the Prepayment Charge is a reasonable calculation of Lenders' lost profits in view of the difficulties and impracticality of determining actual damages resulting from an early repayment of the Advances. Borrower shall prepay the outstanding amount of all principal and accrued interest through the prepayment date and the Prepayment Charge upon the occurrence of a

Change in Control or any other prepayment hereunder. Notwithstanding the foregoing, Agent and Lenders agree to waive the Prepayment Charge if Agent and Lenders (in their sole and absolute discretion) agree in writing to refinance the Advances prior to the Term Loan Maturity Date. Any amounts paid under this Section shall be applied by Agent to the then unpaid amount of any outstanding Secured Obligations (including principal and interest) in such order and priority as Agent may choose in its sole discretion. For the avoidance of doubt, if a payment hereunder becomes due and payable on a day that is not a Business Day, the due date thereof shall be the immediately subsequent Business Day.

2.5 End of Term Charge.

(a) On any date that Borrower partially prepays the outstanding Secured Obligations pursuant to Section 2.4, Borrower shall pay Lenders an amount equal to six point three five percent (6.35)% multiplied by the principal amount of such Term Loan Advances being prepaid.

(b) On the earliest to occur of (i) the Term Loan Maturity Date, (ii) the date that Borrower prepays the outstanding Secured Obligations (other than any inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) in full, or (iii) the date that the Secured Obligations become due and payable in full pursuant to the terms of this Agreement, Borrower shall pay Lenders a charge equal to (x) six point three five percent (6.35)% multiplied by the aggregate original principal amount of the Term Loan Advances made hereunder *minus* (y) the aggregate amount of payments made pursuant to Section 2.5(a) (the "End of Term Charge"). Notwithstanding the required payment date of such End of Term Charge, the applicable pro rata portion of the End of Term Charge shall be deemed earned by Lenders on the date the applicable Term Loan Advance is made. For the avoidance of doubt, if a payment hereunder becomes due and payable on a day that is not a Business Day, the due date thereof shall be the immediately subsequent Business Day.

2.6 Pro Rata Treatment. Each payment (including prepayment) on account of any fee and any reduction of the Term Loan Advances shall be made pro rata according to the Term Commitments of the relevant Lenders.

2.7 Taxes; Increased Costs. Borrower, Agent and Lenders each hereby agree to the terms and conditions set forth on Addendum 1 attached hereto.

2.8 Treatment of Prepayment Charge and End of Term Charge. Borrower agrees that any Prepayment Charge and any End of Term Charge payable shall be presumed to be the liquidated damages sustained by each Lender as the result of the early termination, and Borrower agrees that it is reasonable under the circumstances currently existing and existing as of the Closing Date. The Prepayment Charge and the End of Term Charge shall also be payable in the event the Secured Obligations (and/or this Agreement) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure, or by any other means. Each Loan Party expressly waives (to the fullest extent it may lawfully do so) the provisions of any present or future statute or law that prohibits or may prohibit the collection of the foregoing Prepayment Charge and End of Term Charge in connection with any such acceleration. Borrower agrees (to the fullest extent that each may lawfully do so): (a) each of the Prepayment Charge and the End of Term Charge is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (b) each of the Prepayment Charge and the End of Term Charge shall be payable notwithstanding the then prevailing market rates at the time payment is made; (c) there has been a course of conduct between Lenders and Borrower giving specific consideration in this transaction for such agreement to pay the Prepayment Charge and the End of Term Charge as a charge (and not interest) in the event of prepayment or acceleration; and (d) Borrower shall be estopped from claiming differently than as agreed to in this

Section. Borrower expressly acknowledges that its agreement to pay each of the Prepayment Charge and the End of Term Charge to Lenders as herein described was on the Closing Date and continues to be a material inducement to Lenders to provide the Term Loan Advances.

SECTION 3
SECURITY INTEREST

3.1 Grant of Security Interest. As security for the prompt and complete payment when due (whether on the payment dates or otherwise) of all the Secured Obligations, each Borrower grants to Agent a security interest in all of such Borrower's right, title, and interest in, to and under all of such Borrower's personal property and other assets including without limitation the following (except as set forth herein) whether now owned or hereafter acquired (collectively, the "Collateral"): (a) Receivables; (b) Equipment; (c) Fixtures; (d) General Intangibles; (e) Inventory; (f) Investment Property; (g) Deposit Accounts; (h) Cash; (i) Goods; and all other tangible and intangible personal property of such Borrower whether now or hereafter owned or existing, leased, consigned by or to, or acquired by, Borrower and wherever located, and any of such Borrower's property in the possession or under the control of Agent; and, to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of each of the foregoing.

3.2 Notwithstanding the broad grant of the security interest set forth in Section 3.1, above, the Collateral shall not include (a) any "intent to use" trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise, provided, that upon submission and acceptance by the United States Patent and Trademark Office of an amendment to allege use of an intent-to-use trademark application pursuant to 15 U.S.C. Section 1060(a) (or any successor provision) such intent-to-use application shall constitute Collateral, (b) nonassignable licenses or contracts, which by their terms require the consent of the licensor thereof or another party (but only to the extent such prohibition on transfer is enforceable under applicable law, including, without limitation, Sections 9406, 9407 and 9408 of the UCC) and (c) any Excluded Account.

SECTION 4
CONDITIONS PRECEDENT TO LOAN

The obligations of Lenders to make the Loan hereunder are subject to the satisfaction by Borrower of the following conditions:

4.1 Initial Advance. On or prior to the Closing Date, Borrower shall have delivered to Agent the following:

(a) duly executed copies of the Loan Documents , and all other documents and instruments reasonably required by Agent to effectuate the transactions contemplated hereby or to create and perfect the Liens of Agent with respect to all Collateral, in all cases in form and substance reasonably acceptable to Agent;

(b) duly executed Account Control Agreement(s) with respect to each Deposit Account and account holding Investment Property (other than an Excluded Account) maintained by Borrower or any Subsidiary;

(c) a legal opinion of Borrower's counsel in form and substance reasonably acceptable to Agent;

(d) copy of resolutions of each Borrower's Board of Directors, certified by an officer of such Borrower, evidencing (i) approval of the Loan and other transactions evidenced by the Loan Documents (including the Warrant), (ii) authorizing a specified person or persons to execute the Loan Documents to which it is a party on its behalf, (iii) authorizing a specified person or persons, on its behalf, to sign and/or dispatch all documents and notices (including, if relevant, any Advance Request or other relevant notice) to be signed and/or dispatched by it under or in connection with the Loan Documents to which it is a party, and (iv) acknowledging that the Board of Directors are acting for a proper purpose and that the Loan Documents are in the best interests of that Borrower and for its commercial benefit

(e) certified copies of the Charter of Borrower, certified by the Secretary of State of the applicable jurisdiction of organization and the other Organizational Documents, as amended through the Closing Date, of Borrower;

(f) a certificate of good standing for Borrower from its jurisdiction of organization and similar certificates from all other jurisdictions in which it does business and where the failure to be qualified could have a Material Adverse Effect;

(g) certified copies, dated as of recent date, of searches for financing statements;

(h) payment of the Due Diligence Fee (which, for the avoidance of doubt, has been previously paid), Initial Facility Charge and reimbursement of Agent's and Lenders' current expenses reimbursable pursuant to this Agreement, which amounts may be deducted from the initial Advance;

(i) a duly executed copy of the Perfection Certificate and each exhibit and addendum thereto;

(j) all certificates of insurance evidencing insurance required by Section 6.2;

(k) duly executed landlord consents for its (i) chief executive office or its principal place of business and (ii) offices or business locations, including warehouses, containing in excess of [***] of Borrower's assets or property;

(l) duly executed bailee agreements for any bailee location holding a portion of Borrower's assets or property valued, individually or in the aggregate, in excess of [***];

(m) (i) the certificates representing the Equity Interests required to be pledged pursuant to the Pledge Agreement, together with an undated stock power or similar instrument of transfer for each such certificate endorsed in blank by a duly authorized officer of the pledgor thereof, and (ii) each material debt instrument (if any) endorsed (without recourse) in blank (or accompanied by an transfer form endorsed in blank) by the pledgor thereof required to be pledged to Agent under the Pledge Agreement;

(n) all reports, declarations and forms required by the SBA and requested by the Agent, including but not limited to SBA 652, SBA 1031 and SBA 480; and

(o) UCC-1 financing statements in respect of each Loan Party filed in its respective jurisdiction of formation.

4.2 All Advances. On each Advance Date:

(a) Agent shall have received (i) an Advance Request for the relevant Advance as required by Section 2.1(b), duly executed by Borrower's Chief Executive Officer or Chief Financial Officer, and (ii) any other documents Agent may reasonably request.

(b) The representations and warranties set forth in this Agreement shall be true and correct in all material respects on and as of the applicable Advance Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date.

(c) at the time of and immediately after such Advance no Default or Event of Default shall have occurred and be continuing.

(d) With respect to any Tranche 2-A and Tranche 2-B Advance, Borrower shall have paid the applicable Tranche 2 Facility Charge.

(e) With respect to any Tranche 3 Advance, Borrower shall have paid the applicable Tranche 3 Facility Charge.

Each Advance Request shall be deemed to constitute a representation and warranty by Borrower on the relevant Advance Date as to the matters specified in subsections (b) and (c) of this Section 4.2 and as to the matters set forth in the Advance Request.

4.3 No Default. As of the Closing Date and each Advance Date, (i) no fact or condition exists that could (or could, with the passage of time, the giving of notice, or both) constitute an Event of Default and (ii) no event that has had or could reasonably be expected to have a Material Adverse Effect has occurred and is continuing.

SECTION 5
REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants that:

5.1 Organizational Status; Execution and Delivery; Binding Effect. Each Borrower is duly organized, legally existing and in good standing under the laws of its jurisdiction of formation, and is duly qualified as a foreign corporation or limited liability company, as the case may be, in all jurisdictions in which the nature of its business or location of its properties require such qualifications and where the failure to be qualified could reasonably be expected to have a Material Adverse Effect. Borrower's present name, former names (if any), locations, place of formation, tax identification number, organizational identification number and other information are correctly set forth in Exhibit B, as may be updated by Borrower in a written notice (including any Compliance Certificate) provided to Agent after the Closing Date in accordance with this Agreement. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Borrower. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights generally and by general principles of equity.

5.2 Collateral. Borrower owns or otherwise has the rights to use the Collateral free of all Liens, except for Permitted Liens. Borrower has the power and authority to grant to Agent a Lien in the

Collateral as security for the Secured Obligations.

5.3 Consents. Borrower's execution, delivery and performance of this Agreement and all other Loan Documents to which it is a party, (i) have been duly authorized by all necessary action in accordance with Borrower's Organizational Documents and applicable law, (ii) will not result in the creation or imposition of any Lien upon the Collateral, other than Permitted Liens, (iii) do not violate (A) any provisions of Borrower's Organizational Documents, or (B) any law, regulation, order, injunction, judgment, decree or writ to which Borrower is subject, and (iv) do not violate any contract or agreement or require the consent or approval of any other Person or Governmental Authority which has not already been obtained. The individual or individuals executing the Loan Documents are duly authorized to do so.

5.4 Material Adverse Effect. No event that has had or could reasonably be expected to have a Material Adverse Effect has occurred and is continuing, and Borrower is not aware of any event or circumstance that is likely to occur that is reasonably expected to result in a Material Adverse Effect.

5.5 Actions Before Governmental Authorities. There are no actions, suits, claims, disputes or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of Borrower, threatened against or affecting Borrower or its property, that is reasonably expected to result in a Material Adverse Effect.

5.6 Laws.

(a) Neither Borrower nor any of its Subsidiaries is in violation of any law, rule or regulation, or in default with respect to any judgment, writ, injunction or decree of any Governmental Authority to which Borrower or such Subsidiaries are subject, where such violation or default could reasonably be expected to result in a Material Adverse Effect. Borrower is not in default in any manner under any provision of any agreement or instrument evidencing material Indebtedness, or any other material agreement to which it is a party or by which it is bound.

(b) Neither Borrower nor any of its Subsidiaries is an "investment company," a company that would be an "investment company" except for the exclusion from the definition of "investment company" in Section 3(c) of the Investment Company Act of 1940, as amended (the "1940 Act"), or a company "controlled" by an "investment company" under the 1940 Act. Neither Borrower nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Borrower and each of its Subsidiaries has complied in all material respects with the Federal Fair Labor Standards Act. Neither Borrower nor any of its Subsidiaries is a "holding company" or an "affiliate" of a "holding company" or a "subsidiary company" of a "holding company" as each term is defined and used in the Public Utility Holding Company Act of 2005. Neither Borrower's nor any of its Subsidiaries' properties or assets have been used by Borrower or such Subsidiary or, to Borrower's knowledge, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws. Borrower and each of its Subsidiaries has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

(c) None of Borrower, any of its Subsidiaries, or any of Borrower's or its Subsidiaries' Affiliates or any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any Anti-Terrorism Law, (ii) engaging in or conspiring to engage in any transaction that evades or

avoids, or has the purpose of evading or avoiding or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law, or (iii) is a Blocked Person. None of Borrower, any of its Subsidiaries, or to the knowledge of Borrower, any of their Affiliates or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Blocked Person, or (y) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked pursuant to Executive Order No. 13224, any similar executive order or other Anti-Terrorism Law. None of the funds to be provided under this Agreement will be used, directly or indirectly, (a) for any activities in violation of any applicable anti-money laundering, economic sanctions and anti-bribery laws and regulations or (b) for any payment to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

5.7 Information Correct and Current. No information, report, Advance Request, financial statement, exhibit or schedule furnished, by or on behalf of Borrower to Agent in connection with any Loan Document or included therein or delivered pursuant thereto contained, or, when taken as a whole, contains or will contain any material misstatement of fact or, when taken together with all other such information or documents, omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not materially misleading at the time such statement was made or deemed made. Additionally, any and all financial or business projections provided by Borrower to Agent, whether prior to or after the Closing Date, shall be (i) provided in good faith and based on the most current data and information available to Borrower, and (ii) the most current of such projections provided to Borrower's Board of Directors.

5.8 Tax Matters. Except as set forth on Schedule 5.8, (a) Borrower and its Subsidiaries have filed all federal ~~and~~, state, and foreign income Tax returns and other material Tax returns that they are required to file, (b) Borrower and its Subsidiaries have duly paid all federal ~~and~~, state, and foreign income Taxes and other material Taxes or installments thereof that they are required to pay, except Taxes being contested in good faith by appropriate proceedings and for which Borrower and its Subsidiaries maintain adequate reserves in accordance with GAAP, and (c) to the best of Borrower's knowledge, no proposed or pending Tax assessments, deficiencies, audits or other proceedings with respect to Borrower or any Subsidiary have had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5.9 Intellectual Property Claims. Borrower is the sole owner of, or otherwise has the right to use, the Intellectual Property material to Borrower's business. Except as described on Schedule 5.9, (i) each of the material Copyrights, Trademarks and Patents is valid and enforceable, (ii) no material part of the Intellectual Property has been judged invalid or unenforceable, in whole or in part, and (iii) no claim has been made to Borrower that the ownership of or use of any material part of the Intellectual Property violates the rights of any third party. Exhibit C is a true, correct and complete list of each of Borrower's Patents, registered Trademarks, registered Copyrights, and material agreements under which Borrower licenses Intellectual Property from third parties (other than shrink-wrap software licenses or other than "off-the-shelf" licenses or open-source software), together with application or registration numbers, as applicable, owned by Borrower or any Subsidiary. Borrower is not in material breach of, nor has Borrower failed to perform any material obligations under, any of the foregoing contracts, licenses or agreements and, to Borrower's knowledge, no third party to any such contract, license or agreement is in material breach thereof or has failed to perform any material obligations thereunder.

5.10 Intellectual Property.

(a) Except as described on Schedule 5.10, Borrower has all material rights with respect to intellectual property necessary or material in the operation or conduct of Borrower's business as currently conducted and proposed to be conducted by Borrower. Without limiting the generality of the foregoing, except for restrictions that are unenforceable under Division 9 of the UCC or otherwise permitted under this Agreement with respect to Licenses, Borrower has the right, to the extent required to operate Borrower's business, to freely transfer, license or assign Intellectual Property necessary or material in the operation or conduct of Borrower's business as currently conducted and proposed to be conducted by Borrower, without condition, restriction or payment of any kind (other than license payments in the ordinary course of business) to any third party, and Borrower owns or has the right to use, pursuant to valid licenses, all software development tools, library functions, compilers and all other third-party software and other items that are material in the operation or conduct of Borrower's business and used in the design, development, promotion, sale, license, manufacture, import, export, use or distribution of Borrower Products except customary covenants in inbound license agreements and equipment leases where Borrower is the licensee or lessee. Except as disclosed on Schedule 5.10, Borrower is not a party to, nor is it bound by, any Restricted License.

(b) No material software or other materials used by Borrower or any of its Subsidiaries (or used in any Borrower Products or any Subsidiaries' products) are subject to an open-source or similar license (including but not limited to the General Public License, Lesser General Public License, Mozilla Public License, or Affero License) in a manner that would cause such software or other materials to have to be (i) distributed to third parties at no charge or a minimal charge (royalty-free basis); (ii) licensed to third parties to modify, make derivative works based on, decompile, disassemble, or reverse engineer; or (iii) used in a manner that requires disclosure or distribution in source code form.

(c) There are no material unpaid fees or royalties under any Material Agreements that have become overdue. Each Material Agreement is in full force and effect and is legal, valid, binding, and enforceable in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability. Except as set forth on Schedule 5.10(c), to the knowledge of Borrower, neither Borrower nor any of its Subsidiaries, as applicable, is in breach of or default in any manner that could reasonably be expected to materially affect the Borrower Products under any Material Agreement to which it is a party, and no circumstances or grounds exist that would give rise to a claim of breach or right of rescission, termination or nonrenewal of any of the Material Agreements, including the execution, delivery and performance of this Agreement and the other Loan Documents.

5.11 Borrower Products. Except as set forth on Schedule 5.11, no Intellectual Property owned by Borrower or Borrower Product has been or is subject to any actual or, to the knowledge of Borrower, threatened litigation, proceeding (including any proceeding in the United States Patent and Trademark Office or any corresponding foreign office or agency) or outstanding decree, order, judgment, settlement agreement or stipulation that restricts in any manner Borrower's use, transfer or licensing thereof or that may affect the validity, use or enforceability thereof. There is no decree, order, judgment, agreement, stipulation, arbitral award or other provision entered into in connection with any litigation or proceeding that obligates Borrower to grant licenses or ownership interest in any future Intellectual Property related to the operation or conduct of the business of Borrower or Borrower Products. Borrower has not received any written notice or claim, or, to the knowledge of Borrower, oral notice or claim, challenging or questioning Borrower's ownership in any Intellectual Property (or written notice of any claim

challenging or questioning the ownership in any licensed Intellectual Property of the owner thereof) or suggesting that any third party has any claim of legal or beneficial ownership with respect thereto nor, to Borrower's knowledge, is there a reasonable basis for any such claim. Neither Borrower's use of its Intellectual Property nor the production and sale of Borrower Products infringes the Intellectual Property or other rights of others.

5.12 Financial Accounts. Exhibit D, as may be updated by Borrower in a written notice provided to Agent after the Closing Date, is a true, correct and complete list of (a) all banks and other financial institutions at which Borrower or any Subsidiary maintains Deposit Accounts and (b) all institutions at which Borrower or any Subsidiary maintains an account holding Investment Property, and such exhibit correctly identifies the name, address and telephone number of each bank or other institution, the name in which the account is held, a description of the purpose of the account, and the complete account number therefor.

5.13 Employee Loans. Except for loans constituting Permitted Investments, Borrower has no outstanding loans to any employee, officer or director of Borrower nor has Borrower guaranteed the payment of any loan made to an employee, officer or director of Borrower by a third party.

5.14 Capitalization and Subsidiaries. Borrower's capitalization as of the Closing Date is set forth on Schedule 5.14 annexed hereto. Borrower does not own any stock, partnership interest or other securities of any Person, except for Permitted Investments. Attached as Schedule 5.14, as may be updated by Borrower in a written notice provided after the Closing Date, is a true, correct and complete list of each Subsidiary.

5.15 Solvency. The fair salable value of the Loan Parties' consolidated assets (including goodwill minus disposition costs) exceeds the fair value of the Loan Parties' liabilities; no Loan Party is left with unreasonably small capital after the transactions in this Agreement; and Borrower and each of its Subsidiaries are able to pay their debts (including trade debts) as they mature. The amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability.

SECTION 6
INSURANCE; INDEMNIFICATION

6.1 Coverage. Borrower shall cause to be carried and maintained commercial general liability insurance covering Borrower and each of its Subsidiaries, on an occurrence form, against risks and in such amounts customarily insured against in Borrower's line of business. Such risks shall include the risks of bodily injury, including death, property damage, personal injury, advertising injury, and contractual liability per the terms of the indemnification agreement found in Section 6.3. Borrower must maintain a minimum of $[***] of commercial general liability insurance for each occurrence. Borrower maintains and shall continue to maintain a minimum of $[***] of directors' and officers' insurance for each occurrence and $[***] in the aggregate. So long as there are any Secured Obligations outstanding (other than inchoate indemnity obligations which, by their terms, survive termination of this Agreement), Borrower shall also cause to be carried and maintained insurance upon the business and assets of Borrower and its Subsidiaries, insuring against all risks of physical loss or damage howsoever caused, in an amount not less than the full replacement cost of the Collateral, provided that such insurance may be subject to standard exceptions and deductibles. If Borrower fails to obtain the insurance called for by this Section 6.1 or fails to pay any premium thereon or fails to pay any other amount which Borrower is obligated to pay under this Agreement or any other Loan Document or which may be required to preserve the Collateral, Agent may obtain such insurance or make such payment, and all amounts so paid by Agent are immediately due and payable, bearing interest at the then

highest rate applicable to the Secured Obligations, and secured by the Collateral. Agent will make reasonable efforts to provide Borrower with notice of Agent obtaining such insurance at the time it is obtained or within a reasonable time thereafter. No payments by Agent are deemed an agreement to make similar payments in the future or Agent's waiver of any Event of Default.

6.2 Certificates. Borrower shall deliver to Agent certificates of insurance that evidence compliance with its insurance obligations in Section 6.1 and the obligations contained in this Section 6.2. Borrower's insurance certificate shall reflect Agent (shown as "Hercules Capital, Inc., as Agent, and its successors and/or assigns") as an additional insured for commercial general liability, a lenders loss payable for all risk property damage insurance, subject to the insurer's approval, and a lenders loss payable for property insurance and additional insured for liability insurance for any future insurance that Borrower may acquire from such insurer. Attached to the certificates of insurance will be additional insured endorsements for liability and lender's loss payable endorsements for all risk property damage insurance; it be acknowledged and agreed that Borrower shall provide copies of all such policies in effect as of the Closing Date and such endorsements for such policies not later than fifteen (15) Business Days after the Closing Date. All certificates of insurance will provide for a minimum of thirty (30) days' advance written notice to Agent of cancellation (other than cancellation for non-payment of premiums, for which ten (10) days' advance written notice shall be sufficient) or any other change adverse to Agent's interests. Any failure of Agent to scrutinize such insurance certificates for compliance is not a waiver of any of Agent's rights, all of which are reserved. Borrower shall provide Agent with copies of each insurance policy, and upon entering or amending any insurance policy required hereunder, Borrower shall provide Agent with copies of such policies and shall promptly deliver to Agent updated insurance certificates and endorsements with respect to such policies.

6.3 Indemnity. Borrower agrees to indemnify and hold Agent, Lenders and their officers, directors, employees, agents, in-house attorneys, representatives and shareholders (each, an "Indemnified Person") harmless from and against any and all third-party claims, costs, expenses, damages and liabilities (including such claims, costs, expenses, damages and liabilities based on liability in tort, including strict liability in tort), including reasonable attorneys' fees and disbursements and other costs of investigation or defense (including those incurred upon any appeal) (collectively, "Liabilities"), that may be instituted or asserted against or incurred by such Indemnified Person as the result of credit having been extended, suspended or terminated under this Agreement and the other Loan Documents or the administration of such credit, or in connection with or arising out of the transactions contemplated hereunder and thereunder, or any actions or failures to act in connection therewith, or arising out of the disposition or utilization of the Collateral, excluding in all cases Liabilities to the extent such Liabilities arise solely out of gross negligence or willful misconduct of any Indemnified Person or changes in income tax rates. This Section 6.3 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim. In no event shall any Indemnified Person be liable on any theory of liability for any special, indirect, consequential or punitive damages (including any loss of profits, business or anticipated savings). This Section 6.3 shall survive the repayment of indebtedness under, and otherwise shall survive the expiration or other termination of, this Agreement, in each case subject to the applicable statute of limitations.

SECTION 7
COVENANTS

Borrower agrees as follows:

7.1 Financial Reports. Borrower shall furnish to Agent the financial statements and reports listed hereinafter (the "Financial Statements"):

(a) as soon as practicable (and in any event within thirty (30) days) after the end of each month, (i) trial balances prepared in accordance with GAAP as of the end of such month, (ii) a report detailing any material contingencies (including the commencement of any material litigation by or against Borrower) or any other occurrence that could reasonably be expected to have a Material Adverse Effect, (iii) a trial balances report in respect of such month in form and substance satisfactory to Agent, (iv) a report showing agings of accounts receivable and accounts payable and (v) following regulatory approval of Backbeat, Virtue SAB or any of Borrower's Products, net revenue reports, sales KPIs and royalty reporting as of the end of such month;

(b) as soon as practicable (and in any event within forty-five (45) days) after the end of each fiscal quarter, unaudited interim and year-to-date financial statements as of the end of such fiscal quarter (prepared on a consolidated and consolidating basis, if applicable), including balance sheet and related statements of income and cash flows accompanied by a report detailing any material contingencies (including the commencement of any material litigation by or against Borrower) or any other occurrence that could reasonably be expected to have a Material Adverse Effect, certified without qualification by a duly authorized officer of Borrower to the effect that they have been prepared in accordance with GAAP, except (i) for the absence of footnotes, and (ii) that they are subject to normal year-end adjustments;

(c) as soon as practicable (and in any event within ninety (90) days) after the end of each fiscal year, audited financial statements as of the end of such year (prepared on a consolidated and consolidating basis, if applicable), including balance sheet and related statements of income and cash flows, and setting forth in comparative form the corresponding figures for the preceding fiscal year, certified by a firm of independent certified public accountants selected by Borrower and reasonably acceptable to Agent, accompanied by any management report from such accountants;

(d) as soon as practicable (and in any event within thirty (30) days) after the end of each month, a Compliance Certificate in the form of Exhibit E;

(e) [reserved];

(f) Subject to the last paragraph of this Section 7.1, promptly after the sending or filing thereof, as the case may be, copies of any proxy statements, financial statements, information or reports that Borrower has made available to holders of its common stock, and copies of any regular, periodic and special reports or registration statements that Borrower files with the Securities and Exchange Commission or any Governmental Authority that may be substituted therefor, or any national securities exchange;

(g) copies of any material Governmental Approvals obtained by Borrower or any of its Subsidiaries;

(h) [reserved];

(i) financial and business projections promptly following their approval by Company's Board, and in any event, within thirty (30) days prior to the end of Borrower's fiscal year, as well as budgets, operating plans and other financial information reasonably requested by Agent;

(j) insurance certificates required by Section 6.2, annually or otherwise promptly upon renewal of insurance policies required to be maintained in accordance with Section 6.1;

(k) prompt notice of any legal process that is reasonably likely to result in damages, expenses or liabilities in excess of [***]; and

(l) prompt (but in any event no more than two (2) Business Days) notice if Borrower or any Subsidiary has knowledge that Borrower, or any Subsidiary or Affiliate of Borrower, is listed on the OFAC Lists or (a) is convicted on, (b) pleads *nolo contendere* to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering.

Borrower shall not make any change in its (a) accounting policies or reporting practices (other than as permitted under GAAP or pursuant to applicable securities laws or regulations of the SEC), or (b) fiscal years or fiscal quarters. The fiscal year of Borrower shall end on December 31.

The executed Compliance Certificate and all Financial Statements required to be delivered hereunder shall be sent per instructions (i) specified on Addendum 2 or (ii) otherwise provided by Agent to Borrower via a written notice from time to time.

Notwithstanding the foregoing, documents required to be delivered under Sections 7.1(a), (b), (c), (f), (g), (i) or (l) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which Borrower emails a link thereto to Agent; provided that Borrower shall directly provide Agent all Financial Statements required to be delivered pursuant to Section 7.1(b) and (c) hereunder.

7.2 Management Rights. Borrower shall permit any representative that Agent or Lenders authorizes, including its attorneys and accountants, to inspect the Collateral and examine and make copies and abstracts of the books of account and records of Borrower at reasonable times and upon reasonable notice during normal business hours; provided, however, that so long as no Event of Default has occurred and is continuing, such examinations shall be limited to no more often than twice per fiscal year. In addition, in connection with such inspections, any such representative shall have the right to meet with management and officers of Borrower to discuss such books of account and records. In addition, Agent or Lenders shall be entitled at reasonable times and intervals to consult with and advise the management and officers of Borrower concerning significant business issues affecting Borrower. Such consultations shall not unreasonably interfere with Borrower's business operations. The parties intend that the rights granted Agent and Lenders shall constitute "management rights" within the meaning of 29 C.F.R. Section 2510.3-101(d)(3)(ii), but that any advice, recommendations or participation by Agent or Lenders with respect to any business issues shall not be deemed to give Agent or any Lender, nor be deemed an exercise by Agent or any Lender of, control over Borrower's management or policies.

7.3 Further Assurances. Borrower shall, and shall cause each other Loan Party to, from time to time execute, deliver and file, alone or with Agent, any financing statements, security agreements, collateral assignments, notices, control agreements, promissory notes or other documents to perfect, give the highest priority to Agent's Lien on the Collateral or otherwise evidence Agent's rights herein. Borrower shall from time to time procure any instruments or documents as may be reasonably requested by Agent, and take all further action that may be necessary, or that Agent may reasonably request, to perfect and protect the Liens granted hereby or pursuant to applicable Loan Documents. In addition, and for such purposes only, Borrower hereby authorizes Agent to execute and deliver on behalf of Borrower and to file such financing statements (including an indication that the financing statement covers "all

assets or all personal property" of Borrower in accordance with Section 9-504 of the UCC), collateral assignments, notices, control agreements, security agreements and other documents without the signature of Borrower either in Agent's name or in the name of Agent as agent and attorney-in-fact for Borrower. Borrower shall protect and defend Borrower's title to the Collateral and Agent's Lien thereon against all Persons claiming any interest adverse to Borrower or Agent other than Permitted Liens.

7.4 Indebtedness. Borrower shall not create, incur, assume, guarantee or be or remain liable with respect to any Indebtedness, or permit any Subsidiary so to do, other than Permitted Indebtedness, or prepay any Indebtedness or take any actions which impose on Borrower an obligation to prepay any Indebtedness, except for (a) the conversion of Indebtedness into equity securities and the payment of cash in lieu of fractional shares in connection with such conversion, (b) purchase money Indebtedness pursuant to its then applicable payment schedule, (c) prepayment by any Subsidiary of (i) inter-company Indebtedness owed by such Subsidiary to any Borrower, or (ii) if such Subsidiary is not a Borrower, intercompany Indebtedness owed by such Subsidiary to another Subsidiary that is not a Borrower, (d) payments made on Subordinated Indebtedness to the extent permitted under the relevant Subordination Agreement, (e) any trade payables in the ordinary course of business or (f) as otherwise permitted hereunder or approved in writing by Agent.

7.5 Collateral. Borrower shall at all times (a) keep the Collateral and all other property and assets used in Borrower's business or in which Borrower now or hereafter holds any interest free and clear from any legal process or Liens whatsoever (except for Permitted Liens), and (b) shall give Agent prompt written notice of any legal process affecting the Collateral, such other property and assets, or any Liens thereon, provided however, that the Collateral and such other property or assets may be subject to Permitted Liens except that there shall be no Liens whatsoever on Intellectual Property. Borrower shall not agree with any Person other than Agent or Lenders not to encumber its property other than in connection with Permitted Liens. Borrower shall not enter into or suffer to exist or become effective any agreement that prohibits or limits the ability of any Borrower to create, incur, assume or suffer to exist any Lien upon any of its property (including Intellectual Property), whether now owned or hereafter acquired, to secure its obligations under the Loan Documents to which it is a party other than (i) this Agreement and the other Loan Documents, (ii) any agreements governing any purchase money Liens or capital lease obligations otherwise permitted hereby (in which case, any prohibition or limitation shall only be effective against the assets financed thereby) and (iii) customary restrictions on the assignment of leases, licenses and other agreements. Borrower shall cause its Subsidiaries to protect and defend such Subsidiary's title to its assets from and against all Persons claiming any interest adverse to such Subsidiary, and Borrower shall cause its Subsidiaries at all times to keep such Subsidiary's property and assets free and clear from any legal process or Liens whatsoever (except for Permitted Liens, provided however, that there shall be no Liens whatsoever on Intellectual Property), and shall give Agent prompt written notice of any legal process affecting such Subsidiary's assets.

7.6 Investments. Borrower shall not, directly or indirectly acquire or own, or make any Investment in or to any Person, or permit any of its Subsidiaries to do so, other than Permitted Investments.

7.7 Distributions. Borrower shall not, and shall not allow any Subsidiary to, (a) repurchase or redeem any class of stock or other Equity Interest other than pursuant to employee, director or consultant repurchase plans or other similar agreements and the net settlement of any employee vested restricted stock units for the purpose of paying withholding taxes, provided, however, in each case the repurchase or redemption price does not exceed the original consideration paid for such stock or Equity Interest, or (b) declare or pay any cash dividend or make any other cash distribution on any class of stock or other Equity Interest, except that a Subsidiary may pay dividends or make other distributions to Borrower or any Subsidiary of Borrower, or (c) except for Permitted Investments, lend money to any

employees, officers or directors or guarantee the payment of any such loans granted by a third party in excess of [***] in the aggregate, or (d) the conversion of any of its convertible securities into other securities pursuant to the terms of such convertible securities or otherwise in exchange thereof, or (e) waive, release or forgive any Indebtedness owed by any employees, officers or directors in excess of [***] in the aggregate.

7.8 Transfers. Except for Permitted Transfers, Borrower shall not, and shall not permit any Subsidiary to, voluntarily or involuntarily transfer, sell, lease, license, lend or in any other manner convey ("Transfer") any equitable, beneficial or legal interest in any material portion of its assets (including, without limitation, pursuant to a Division).

7.9 Mergers and Consolidations. Borrower shall not, nor will it permit any Subsidiary to, merge, dissolve, liquidate, consolidate with or into another Person, or dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person (other than mergers or consolidations of (a) a Subsidiary which is not a Borrower into another Subsidiary or into Borrower or (b) a Borrower into another Borrower).

7.10 Taxes. Borrower shall, and shall cause each of its Subsidiaries to, pay when due all material Taxes of any nature whatsoever now or hereafter imposed or assessed against Borrower or such Subsidiary or the Collateral or upon Borrower's (or such Subsidiary's) ownership, possession, use, operation or disposition thereof or upon Borrower's (or such Subsidiary's) rents, receipts or earnings arising therefrom. Borrower shall, and shall cause each of its Subsidiaries to accurately file on or before the due date therefor (taking into account proper extensions) all federal ~~and~~, state, and foreign income Tax returns and other material Tax returns required to be filed. Notwithstanding the foregoing, Borrower and its Subsidiaries may contest, in good faith and by appropriate proceedings diligently conducted, Taxes for which Borrower and its Subsidiaries maintain adequate reserves in accordance with GAAP.

7.11 Corporate Changes.

(a) Neither Borrower nor any Subsidiary shall change its corporate name, legal form or jurisdiction of formation without twenty (20) days' prior written notice to Agent.

(b) Neither Borrower nor any Subsidiary shall suffer a Change in Control.

(c) Neither Borrower nor any Subsidiary shall relocate its chief executive office or its principal place of business unless: (i) it has provided prior written notice to Agent; and (ii) such relocation shall be within the continental United States of America.

(d) If Borrower intends to add any new offices or business locations, including warehouses, containing any portion of Borrower's assets or property valued, individually or in the aggregate, in excess of [***] or if any portion of Borrower's assets or property valued, individually or in the aggregate, in excess of [***] is held at any existing office or business location, including warehouses, then Borrower will, unless Agent and such landlord are not already parties to a landlord consent governing both the Collateral and the applicable office or business location, cause the landlord of any such offices or business locations, including warehouses, to execute and deliver a landlord consent in form and substance satisfactory to Agent.

(e) If Borrower intends to deliver any portion of Borrower's assets or property valued, individually or in the aggregate, in excess of [***],

to a bailee, and Agent and such bailee are not already parties to a bailee agreement governing both the Collateral and the location to which Borrower intends to deliver the Collateral, then Borrower will cause such bailee to execute and deliver a bailee agreement in form and substance satisfactory to Agent.

(f) The Borrower will not, and will not permit any Subsidiary to, engage to any material extent in any business other than those businesses conducted by the Borrower and its Subsidiaries on the date hereof or any business reasonably related or incidental thereto or representing a reasonable expansion thereof.

(g) Without the prior written consent of Agent, the Borrower will not make, or agree to make, any modification, amendment or waiver of any of the terms or provisions of Borrower's Organizational Documents that is adverse to Agent or any of the Lenders.

7.12 Deposit Accounts. Neither Borrower nor any Subsidiary shall maintain any Deposit Accounts, or accounts holding Investment Property, except with respect to which Agent has an Account Control Agreement; provided that (a) no Account Control Agreement shall be required for any Excluded Account, and (b) the aggregate amount of all cash on deposit in Deposit Accounts maintained in Israel by Subsidiaries organized or operating in Israel shall not exceed [***].

7.13 Joinder of Subsidiaries.

(a) Borrower shall notify Agent of each Subsidiary formed or acquired subsequent to the Closing Date (including any new Subsidiary formed by Division) and, within twenty (20) days of such formation or acquisition (or such longer period of time as agreed to by Agent in writing in its sole discretion or, with respect to any Subsidiary organized in Israel, such time period specified in clause (b) below), shall cause any such Subsidiary to execute and deliver to Agent a Joinder Agreement and, subject to clause (b) below, such other documents and instruments as shall be requested by Agent to effectuate the transactions contemplated by such Joinder Agreement (in each case in form and substance acceptable to Agent), or, if requested by Agent, a Guaranty and appropriate collateral security documents to secure the obligations pursuant to such Guaranty (in each case in form and substance acceptable to Agent); it being agreed that if such new Subsidiary is formed by a Division, the foregoing requirements shall be satisfied substantially concurrently with the formation of such Subsidiary. [***]

(b) With respect to any Subsidiary organized in Israel, the Borrower shall cause such Subsidiary to execute and deliver to Agent the following documents in form and substance reasonably satisfactory to Agent, and to perform such other actions specified below, within (1) with respect to any such Subsidiaries existing on the Closing Date, sixty (60) days of the Closing Date and (2) with respect to any such Subsidiaries formed or acquired after the Closing Date, sixty (60) days of such formation or acquisition (or such longer period of time as agreed to by Agent in writing in its sole discretion) (collectively, the "Israeli Security Requirements" and the documents referred to in clauses (i) through (iv), the "Israeli Security Documents"):

i. create a fixed charge over its Intellectual Property and other assets by entering into an Israeli law fixed charge debenture in favor of Agent;

ii. create a floating charge over all of its assets by entering into an Israeli law floating charge debenture in favor of Agent;

iii. create a fixed pledge in favor of Agent over 100% of the shares and related rights beneficially owned by any Loan Party in such Subsidiary by causing such Loan Party to enter into an Israeli law share pledge agreement and any instruments and deliverables thereunder;

iv. duly file and register the foregoing security documents with the appropriate public registries in Israel within timeframes specified by Agent in order to duly perfect the respective security interests created thereunder;

v. four original copies of Forms 10 of the Israeli ROC; vi. a legal opinion of such Subsidiary's Israeli counsel;

vii. a duly-executed certificate attaching such items described in Section 4.1(d) through (f); viii. a duly-executed perfection certificate of such Subsidiary;

ix. copies, dated as of recent date, of lien, judgment and insolvency searches in respect of such Subsidiary;

x. a UCC-1 financing statement in respect of such Subsidiary filed with the D.C. Recorder of Deeds; and

xi. a Process Letter in accordance with clause (f) of Addendum 5;

It is understood and agreed that the Borrower and its Subsidiaries shall not be required to deliver any documents governed by Israeli law or take any other action in Israel with respect to the Collateral, other than pursuant to the Israeli Security Requirements.

(c) Notwithstanding the foregoing or any other provision of the Loan Documents, BioMed's Subsidiary Accelerated Technologies, Inc., a Delaware corporation, shall not be required to become a Borrower or Guarantor, so long as it does not conduct any business or hold any assets in excess of [***].

7.14 Regulatory and Product Notices. Borrower shall promptly (but in any event within three (3) Business Days) after the receipt or occurrence thereof notify Agent of:

(a) any written notice received by Borrower or its Subsidiaries from a governmentalauthority alleging potential or actual violations of any FDA Laws or Federal Health Care Program Laws by Borrower or its Subsidiaries,

(b) any written notice that the FDA (or international equivalent) is limiting, suspending or revoking any Registrations (including, but not limited to, the issuance of a clinical hold),

(c) any written notice that Borrower or its Subsidiaries has become subject to any Regulatory Action,

(d) the exclusion or debarment from any governmental healthcare program or debarment or disqualification by FDA (or international equivalent) of Borrower or its Subsidiaries,

(e) any written notice that any product of Borrower or its Subsidiaries has been seized, withdrawn, recalled, detained, or subject to a suspension of manufacturing, or the commencement of any proceedings in the United States or any other jurisdiction seeking the withdrawal, recall, suspension, import detention, or seizure of any Borrower Product are pending or threatened in writing against Borrower or its Subsidiaries, or

(f) narrowing or otherwise limiting the scope of marketing authorization or the labeling of the products of Borrower and its Subsidiaries under any such Registration, except, in each case of (a) through (f) above, where such action would not reasonably be expected to have, either individually or in the aggregate, any Material Regulatory Liabilities.

7.15 Notification of Event of Default. Borrower shall notify Agent immediately of the occurrence of any Event of Default.

7.16 SBA Addendum. One or more affiliates of Agent have received a license from the U.S. Small Business Administration ("SBA") to extend loans as a small business investment company ("SBIC") pursuant to the Small Business Investment Act of 1958, as amended, and the associated regulations (collectively, the "SBIC Act"). Portions of the Loan to Borrower may be made by a Lender that is an SBIC. Addendum 3 to this Agreement outlines various responsibilities of Agent, each Lender and Borrower associated with a loan made by an SBIC, and such Addendum 3 is hereby incorporated in this Agreement.

7.17 Use of Proceeds. Borrower agrees that the proceeds of the Loans shall be used solely to pay related fees and expenses in connection with this Agreement and for working capital and general corporate purposes [***]. The proceeds of the Loans will not be used in violation of Anti-Corruption Laws or applicable Sanctions.

7.18 Material Agreement. Borrower shall (a) not, without the consent of Agent, terminate the Material Agreement or amend the Material Agreement in a manner that is reasonably likely to have a material negative impact on Agent or Lenders, and (b) give prompt written notice to Agent of entering into a Material Agreement or materially amending or terminating a Material Agreement.

7.19 Compliance with Laws.

(a) Borrower (i) shall maintain, and shall cause each of its Subsidiaries to maintain, compliance in all material respects with all applicable laws, rules or regulations (including any law, rule or regulation with respect to the making or brokering of loans or financial accommodations), and (ii) shall, or cause its Subsidiaries to, obtain and maintain all required governmental authorizations, approvals, licenses, franchises, permits or registrations reasonably necessary in connection with the conduct of Borrower's business. Borrower shall not become an "investment company," a company that would be an "investment company" except for the exclusion from the definition of "investment company" in Section 3(c) of the 1940 Act, or a company controlled by an "investment company" under the 1940 Act, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation X, T and U of the Federal Reserve Board of Governors).

(b) Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries permit any Affiliate to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Person listed on the OFAC Lists. Neither Borrower nor any of its Subsidiaries shall, nor shall Borrower or any of its Subsidiaries, permit any Affiliate to, directly or indirectly, (i) conduct any business or engage in any transaction or dealing with any Blocked Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Blocked Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to Executive Order No. 13224 or any similar executive order or other Anti Terrorism Law, or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in Executive Order No. 13224 or other Anti Terrorism Law.

(c) Borrower has implemented and shall maintain in effect policies and procedures designed to ensure compliance by Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and Borrower, its Subsidiaries and their respective officers and employees and to the knowledge of Borrower its directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects.

(d) None of Borrower, any of its Subsidiaries or any of their respective directors, officers or employees, or to the knowledge of Borrower, any agent for Borrower or its Subsidiaries that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Loan, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or applicable Sanctions.

7.20 Financial Covenants.

(a) Minimum Cash.

(i) Beginning on the Testing Effective Date and (subject to the proviso to the definition of "Testing Effective Date") at all times thereafter, Borrower shall maintain Qualified Cash in an amount greater than or equal to (x) the outstanding principal amount of the Term Loan Advances, *multiplied by* (y) (1) prior to December 1, 2025, 35% or (2) on and after December 1, 2025, (A) if the Performance Milestone Date has not occurred on or prior to December 1, 2025, 50% until the date on which the Performance Milestone Date has occurred and (B) on and after the Performance Milestone Date, 35%.

(ii) Notwithstanding the foregoing, the financial covenant set forth in Section 7.20(a)(i) shall not be tested at any time that the Borrower's Market Capitalization exceeds Five Hundred Million Dollars ($500,000,000); it being understood that if such condition is not satisfied, then testing will automatically be reinstated without any action or notice by or to any Person.

7.21 Intellectual Property. Each Borrower shall (i) protect, defend and maintain the validity and enforceability of its Intellectual Property; (ii) promptly advise Agent in writing of infringements of its Intellectual Property; and (iii) not allow any Intellectual Property material to Borrowers' business to be abandoned, forfeited or dedicated to the public without Agent's written consent. If a Borrower (a) obtains any Patent, registered Trademark, registered Copyright, registered mask work, or any pending application for any of the foregoing, whether as owner, licensee or otherwise, or (b) applies for any

Patent or the registration of any Trademark, then such Borrower shall immediately provide written notice thereof to Agent and shall execute such intellectual property security agreements and other documents and take such other actions as Agent may request in its good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Agent in such property. If a Borrower decides to register any Copyrights or mask works in the United States Copyright Office, such Borrower shall: (x) provide Agent with at least fifteen (15) days prior written notice of such Borrower's intent to register such Copyrights or mask works together with a copy of the application it intends to file with the United States Copyright Office (excluding exhibits thereto); (y) execute an intellectual property security agreement and such other documents and take such other actions as Agent may request in its good faith business judgment to perfect and maintain a first priority perfected security interest in favor of Agent in the Copyrights or mask works intended to be registered with the United States Copyright Office; and (z) record such intellectual property security agreement with the United States Copyright Office contemporaneously with filing the Copyright or mask work application(s) with the United States Copyright Office. With the delivery of each Compliance Certificate hereunder, Borrowers shall provide to Agent an updated copy of Schedule 5.10 including a description of any new Patents, Trademarks, Copyrights or mask works registered since the Closing Date or the date of delivery of the most recently updated schedule, together with any intellectual property security agreement required for Agent to perfect and maintain a first priority perfected security interest in such property. Borrower shall provide written notice to Agent within thirty (30) days of entering or becoming bound by any Restricted License (other than off-the-shelf software that is commercially available to the public). Borrower shall take such steps as Agent requests to obtain the consent of, or waiver by, any person whose consent or waiver is necessary for (1) any Restricted License to be deemed "Collateral" and for Agent to have a security interest in it that might otherwise be restricted or prohibited by law or by the terms of any such Restricted License, whether now existing or entered into in the future, and (2) Agent to have the ability in the event of a liquidation of any Collateral to dispose of such Collateral in accordance with Agent's rights and remedies under this Agreement and the other Loan Documents.

7.22 Transactions with Affiliates. Except as otherwise described on Schedule 7.23, Borrower shall not, and shall not permit any Subsidiary to, directly or indirectly, enter into or permit to exist any transaction of any kind with any Affiliate of Borrower or such Subsidiary on terms that are less favorable to Borrower or such Subsidiary, as the case may be, than those that might be obtained in an arm's length transaction from a Person who is not an Affiliate of Borrower or such Subsidiary.

SECTION 8
RIGHT TO INVEST

Lenders or their assignee or nominee shall, for so long as such applicable Lender shall constitute a "Lender" under this Agreement, have the right, in its discretion, to participate in any Subsequent Financing in an aggregate amount of up to Five Million Dollars ($5,000,000) on the same terms, conditions and pricing afforded to others participating in any such Subsequent Financing. This Section 8, and all rights and obligations provided for hereunder, shall terminate upon the earliest to occur of (a) termination of this Agreement and (b) such time that the Lenders or their assignees or nominees, have purchased Five Million Dollars ($5,000,000) of Company's Equity Interests in the aggregate in Subsequent Financings.

SECTION 9
EVENTS OF DEFAULT

The occurrence of any one or more of the following events shall be an Event of Default:

9.1 Payments. A Loan Party fails to pay any amount due under this Agreement or any of the other Loan Documents on the due date; provided, however, that an Event of Default shall not occur on account of a failure to pay due solely to an administrative or operational error of Agent or Lenders or Borrower's bank if Borrower had the funds to make the payment when due and makes the payment within three (3) Business Days following Borrower's knowledge of such failure to pay; or

9.2 Covenants. A Loan Party breaches or defaults in the performance of any covenant or Secured Obligation under this Agreement, or any of the other Loan Documents or any other agreement among Borrower, Agent and Lenders, and (a) with respect to a Default under any covenant under this Agreement (other than under Sections 6, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.15, 7.16, 7.17, 7.18, 7.19, 7.20, 7.21, and 7.22), any other Loan Document, or any other agreement among Borrower, Agent and Lenders, such default continues for more than ten (10) days after the earlier of the date on which (i) Agent or Lenders has given notice of such default to Borrower and (ii) Borrower has actual knowledge of such default or (b) with respect to a Default under any of Sections 6, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.15, 7.16, 7.17, 7.18, 7.19, 7.20, 7.21, and 7.22), the occurrence of such Default; or

9.3 Material Adverse Effect. A circumstance has occurred that could reasonably be expected to have a Material Adverse Effect; or

9.4 Representations. Any representation or warranty made by any Loan Party in any Loan Document shall have been false or misleading in any material respect when made or when deemed made; or

9.5 Insolvency. (a) A Loan Party or any of its Subsidiaries fails to be solvent as described under Section 5.15 hereof; (b) a Loan Party or any of its Subsidiaries begins an Insolvency Proceeding; or (c) an Insolvency Proceeding is begun against a Loan Party or any of its Subsidiaries and is not dismissed or stayed within thirty (30) days (but no Advances shall be made while any of the conditions described in clause (a) exist or until any Insolvency Proceeding is dismissed); or

9.6 Judgments; Penalties. One or more fines, penalties or final judgments, orders or decrees for the payment of money in an amount, individually or in the aggregate, of at least [***] (not covered by independent third-party insurance as to which liability has

been accepted by such insurance carrier) shall be rendered against any Loan Party or any of its Subsidiaries by any Governmental Authority, and the same are not, within ten (10) days after the entry, assessment or issuance thereof, discharged, or after execution thereof, or stayed pending appeal, or such judgments are not discharged prior to the expiration of any such stay (provided that no Advances shall be made prior to the discharge, or stay of such fine, penalty, judgment, order or decree); or

9.7 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of any Loan Party or any of its Subsidiaries, or (ii) a notice of lien or levy is filed against any of any Loan Party's or any of its Subsidiaries' assets by any Governmental Authority, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided, however, no Advances shall be made during any ten (10) day cure period; or

(b) (i) any material portion of any Loan Party's or any of its Subsidiaries' assets is attached, seized, levied on, or comes into possession of a trustee or receiver, or (ii) any court order enjoins, restrains, or prevents any Loan Party from conducting all or any material part of its business

9.8 Other Obligations. The occurrence of any default under (i) any agreement or obligation of a Loan Party involving any Indebtedness in excess of [***], (ii) any other material agreement or obligation, if a Material Adverse Effect could reasonably be expected to result from such default or (iii) any Material Agreement.

9.9 Governmental Approvals; FDA Action. (a) Any Governmental Approval shall have been revoked, rescinded, suspended, modified in an adverse manner, or not renewed in the ordinary course for a full term and such revocation, rescission, suspension, modification or non renewal has resulted in or could reasonably be expected to result in a Material Adverse Effect; or (b) (i) the FDA, DOJ or other Governmental Authority initiates a regulatory action or any other enforcement action against Borrower or any of its Subsidiaries or any supplier of Borrower or any of its Subsidiaries that causes Borrower or any of its Subsidiaries to recall, withdraw, remove or discontinue manufacturing, distributing, and/or marketing any of its products, even if such action is based on previously disclosed conduct; (ii) the FDA or any other comparable Governmental Authority issues a warning letter to Borrower or any of its Subsidiaries with respect to any of its activities or products which could reasonably be expected to result in a Material Adverse Effect; (iii) Borrower or any of its Subsidiaries conducts a mandatory or voluntary recall which could reasonably be expected to result in liability and expense to Borrower or any of its Subsidiaries of [***] or more; (iv) Borrower or any of its Subsidiaries enters into a settlement agreement with the FDA, DOJ or other Governmental Authority that results in aggregate liability as to any single or related series of transactions, incidents or conditions, of [***] or more, or that could reasonably be expected to result in a Material Adverse Effect, even if such settlement agreement is based on previously disclosed conduct; or (v) the FDA or any other comparable Governmental Authority revokes any authorization or permission granted under any Registration, or Borrower or any of its Subsidiaries withdraws any Registration, that could reasonably be expected to result in a Material Adverse Effect.

9.10 Stop Trade. At any time, an SEC stop trade order or NASDAQ market trading suspension of the Common Stock shall be in effect for five (5) consecutive days or five (5) days during a period of ten (10) consecutive days, excluding in all cases a suspension of all trading on a public market, provided that Borrower shall not have been able to cure such trading suspension within thirty (30) days of the notice thereof or list the Common Stock on another public market within sixty (60) days of such notice

SECTION 10
REMEDIES

10.1 General. Upon the occurrence of any one or more Events of Default, Agent may, and at the direction of the Required Lenders shall, accelerate and demand payment of all or any part of the outstanding Secured Obligations together with a Prepayment Charge and declare them to be immediately due and payable (provided, that upon the occurrence of an Event of Default of the type described in Section 9.5, all of the Secured Obligations (including, without limitation, the Prepayment Charge and the End of Term Charge) shall automatically be accelerated and made due and payable, in each case without any further notice or act). Borrower hereby irrevocably appoints Agent as its lawful attorney-in-fact to: (a) exercisable following the occurrence of an Event of Default, (i) sign Borrower's name on any invoice or bill of lading for any account or drafts against account debtors; (ii) demand, collect, sue, and give releases to any account debtor for monies due, settle and adjust disputes and claims about the accounts directly with account debtors, and compromise, prosecute, or defend any action, claim, case, or proceeding about any Collateral (including filing a claim or voting a claim in any bankruptcy case in Agent's or Borrower's name, as Agent may elect); (iii) make, settle, and adjust all claims under Borrower's insurance policies; (iv) pay, contest or settle any Lien, charge, encumbrance, security interest, or other claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; (v) transfer the Collateral into the name of Agent or a third party as the UCC permits; and (vi) receive, open and dispose of mail addressed to Borrower; and (b) regardless of whether an Event of Default has occurred, (i) endorse Borrower's name on any checks, payment instruments, or other forms of payment or security; and (ii) notify all account debtors to pay Agent directly. Borrower hereby appoints Agent as its lawful attorney-in-fact to sign Borrower's name on any documents necessary to perfect or continue the perfection of Agent's security interest in the Collateral regardless of whether an Event of Default has occurred until all Secured Obligations have been satisfied in full and the Loan Documents (other than the Warrant) have been terminated. Agent's foregoing appointment as Borrower's attorney in fact, and all of Agent's rights and powers, coupled with an interest, are irrevocable until all Secured Obligations (other than inchoate indemnity obligations which, by their terms, survive termination of this Agreement) have been fully repaid and performed and the Loan Documents have been terminated. Agent may, and at the direction of the Required Lenders shall, exercise all rights and remedies with respect to the Collateral under the Loan Documents (other than the Warrant) or otherwise available to it under the UCC and other applicable law, including the right to release, hold, sell, lease, liquidate, collect, realize upon, or otherwise dispose of all or any part of the Collateral and the right to occupy, utilize, process and commingle the Collateral. All Agent's rights and remedies shall be cumulative and not exclusive

10.2 Collection; Foreclosure. Upon the occurrence and during the continuance of any Event of Default, Agent may, and at the direction of the Required Lenders shall, at any time or from time to time, apply, collect, liquidate, sell in one or more sales, lease or otherwise dispose of, any or all of the Collateral, in its then condition or following any commercially reasonable preparation or processing, in such order as Agent may elect. Any such sale may be made either at public or private sale at its place of business or elsewhere. Borrower agrees that any such public or private sale may occur upon ten (10) calendar days' prior written notice to Borrower. Agent may require Borrower to assemble the Collateral and make it available to Agent at a place designated by Agent that is reasonably convenient to Agent and Borrower. The proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be applied by Agent in the following order of priorities:

First, to Agent, in an amount equal to the sum of all fees owing to Agent hereunder and under any other Loan Document;

Second, to Agent and Lenders in an amount sufficient to pay in full Agent's and Lenders' reasonable costs and professionals' and advisors' fees and expenses as described in Section 11.12;

Third, to Lenders, ratably, in an amount equal to the sum of all accrued interest owing to Lenders on the Term Loan Advances hereunder;

Fourth, to Lenders, ratably, in an amount equal to the sum of the outstanding principal and premium, if any owing to Lenders from Borrower on the Term Loan Advances hereunder;

Fifth, to Lenders and Agent, ratably (in proportion to all remaining Secured Obligations owing to each), in an amount equal to the sum of all other outstanding and unpaid Secured Obligations (including principal, interest, and the default rate interest set forth in Section 2.3, if required under this Agreement), in such order and priority as Agent may choose in its sole discretion; and

Finally, after the full and final payment in Cash of all of the Secured Obligations (other than inchoate obligations which, by their terms, survive termination of this Agreement), to any creditor holding a junior Lien on the Collateral, or to Borrower or its representatives or as a court of competent jurisdiction may direct.

Agent shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it complies with the obligations of a secured party under the UCC.

10.3 No Waiver. Agent shall be under no obligation to marshal any of the Collateral for the benefit of Borrower or any other Person, and Borrower expressly waives all rights, if any, to require Agent to marshal any Collateral.

10.4 Waivers. Borrower waives demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Agent on which Borrower is liable.

10.5 Cumulative Remedies. The rights, powers and remedies of Agent hereunder shall be in addition to all rights, powers and remedies given by statute or rule of law and are cumulative. The exercise of any one or more of the rights, powers and remedies provided herein shall not be construed as a waiver of or election of remedies with respect to any other rights, powers and remedies of Agent.

SECTION 11
MISCELLANEOUS

11.1 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective only to the extent and duration of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

11.2 Notice. Except as otherwise provided herein, any notice, demand, request, consent, approval, declaration, service of process or other communication (including the delivery of Financial Statements) that is required, contemplated, or permitted under the Loan Documents or with respect to the subject matter hereof shall be in writing, and shall be deemed to have been validly served, given, delivered, and received upon the earlier of: (i) the day of transmission by electronic mail or hand delivery

or delivery by an overnight express service or overnight mail delivery service; or (ii) the third calendar day after deposit in the United States of America mails, with proper first class postage prepaid, in each case addressed to the party to be notified as follows:

(a) If to Agent:

HERCULES CAPITAL, INC.
Legal Department
Attention: Chief Legal Officer; Jeffrey Ralto; Adam Soller; Dimitri Pissios
1 North B Street, Suite 2000
San Mateo, CA 94401

email: [###]
Telephone: [###]

(b) If to Lenders:

HERCULES CAPITAL, INC.
Legal Department
Attention: Chief Legal Officer; Jeffrey Ralto; Adam Soller; Dimitri Pissios
1 North B Street, Suite 2000
San Mateo, CA 94401

email: [###]
Telephone: [###]

(c) If to Borrower:

Orchestra BioMed Holdings, Inc.
Attention: Andrew Taylor, CFO
150 Union Square Drive
New Hope, PA 18938

email: [###]
Telephone: [###]

With a copy to

Paul Hastings LLP
200 Park Avenue
New York, NY 10166
Attention: Kristopher Villarreal
email: [###]

or to such other address as each party may designate for itself by like notice.

11.3 Entire Agreement; Amendments.

(a) This Agreement and the other Loan Documents constitute the entire agreement and understanding of the parties hereto in respect of the subject matter hereof and thereof, and

supersede and replace in their entirety any prior proposals, term sheets, non-disclosure or confidentiality agreements, letters, negotiations or other documents or agreements, whether written or oral, with respect to the subject matter hereof or thereof (including Agent's proposal letter dated September 13, 2024 and the Non-Disclosure Agreement).

(b) Neither this Agreement, any other Loan Document, nor any terms hereof or thereof may be amended, supplemented or modified except in accordance with the provisions of this Section 11.3(b). The Required Lenders and Loan Parties party to the relevant Loan Document may, or, with the written consent of the Required Lenders, Agent and Loan Parties party to the relevant Loan Document may, from time to time, (i) enter into written amendments, supplements or modifications hereto and to the other Loan Documents for the purpose of adding any provisions to this Agreement or the other Loan Documents or changing in any manner the rights of Lenders or of Loan Parties hereunder or thereunder or (ii) waive, on such terms and conditions as the Required Lenders or Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Loan Documents or any Default or Event of Default and its consequences; provided, however, that no such waiver and no such amendment, supplement or modification shall (A) forgive the principal amount or extend the final scheduled date of maturity of any Loan, extend the scheduled date of any amortization payment in respect of any Term Loan Advance, reduce the stated rate of any interest or fee payable hereunder, or extend the scheduled date of any payment thereof, in each case without the written consent of each Lender directly affected thereby; (B) eliminate or reduce the voting rights of any Lender under this Section 11.3(b) without the written consent of such Lender; (C) reduce any percentage specified in the definition of Required Lenders, consent to the assignment or transfer by Loan Parties of any of its rights and obligations under this Agreement and the other Loan Documents, release all or substantially all of the Collateral or release a Loan Party from its obligations under the Loan Documents, in each case without the written consent of all Lenders; or (D) amend, modify or waive any provision of Section 11.17 without the written consent of Agent. Any such waiver and any such amendment, supplement or modification shall apply equally to each Lender and shall be binding upon the applicable Loan Parties, Lenders, Agent and all future holders of the Loans.

11.4 No Strict Construction. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

11.5 No Waiver. The powers conferred upon Agent and Lenders by this Agreement are solely to protect their rights hereunder and under the other Loan Documents and their interest in the Collateral and shall not impose any duty upon Agent or Lenders to exercise any such powers. No omission or delay by Agent or Lenders at any time to enforce any right or remedy reserved to them, or to require performance of any of the terms, covenants or provisions hereof by Borrower at any time designated, shall be a waiver of any such right or remedy to which Agent or Lenders is entitled, nor shall it in any way affect the right of Agent or Lenders to enforce such provisions thereafter.

11.6 Survival. All agreements, representations and warranties contained in this Agreement and the other Loan Documents or in any document delivered pursuant hereto or thereto shall be for the benefit of Agent, Lenders and shall survive the execution and delivery of this Agreement. Sections 6.3, 11.8, 11.9, 11.10, 11.11, 11.14, 11.15 11.17 and 11.18, shall survive the termination of this Agreement.

11.7 Successors and Assigns. The provisions of this Agreement and the other Loan

Documents shall inure to the benefit of and be binding on Borrower and its permitted assigns (if any). No Loan Party shall assign its obligations under this Agreement or any of the other Loan Documents without Agent's express prior written consent, and any such attempted assignment shall be void and of no effect. Agent and Lenders may assign, transfer, or endorse its rights hereunder and under the other Loan Documents without prior notice to Borrower, and all of such rights shall inure to the benefit of Agent's and Lenders' successors and assigns; provided that as long as no Event of Default has occurred and is continuing, neither Agent nor any Lenders may assign, transfer or endorse its rights hereunder or under the Loan Documents to any party that is a direct competitor of Borrower (as reasonably determined by Agent), it being acknowledged that in all cases, any transfer to an Affiliate of any Lenders or Agent shall be allowed. Notwithstanding the foregoing, (x) in connection with any assignment by a Lender as a result of a forced divestiture at the request of any regulatory agency, the restrictions set forth herein shall not apply and Agent and Lenders may assign, transfer or indorse its rights hereunder and under the other Loan Documents to any Person or party and (y) in connection with a Lender's own financing or securitization transactions, the restrictions set forth herein shall not apply and Agent and Lenders may assign, transfer or indorse its rights hereunder and under the other Loan Documents to any Person or party providing such financing or formed to undertake such securitization transaction and any transferee of such Person or party upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction; provided that no such sale, transfer, pledge or assignment under this clause (y) shall release such Lender from any of its obligations hereunder or substitute any such Person or party for such Lender as a party hereto until Agent shall have received and accepted an effective assignment agreement from such Person or party in form satisfactory to Agent executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding such assignee as Agent reasonably shall require. Agent, acting solely for this purpose as a non-fiduciary agent of Borrower, shall maintain at one of its offices in the United States a register for the recordation of the names and addresses of Lender(s), Term Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and Borrower, Agent and Lender(s) shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

11.8 Participations. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register. Borrower agrees that each participant shall be entitled to the benefits of the provisions in Addendum 1 attached hereto (subject to the requirements and limitations therein, including the requirements under Section 7 of Addendum 1 attached hereto (it being understood that the documentation required under Section 7 of Addendum 1 attached hereto shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.7; provided that such participant shall not be entitled to receive any greater payment under Addendum 1 attached hereto, with respect to any

participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a change in law that occurs after the participant acquired the applicable participation.

11.9 Governing Law. This Agreement and the other Loan Documents have been negotiated and delivered to Agent and Lenders in the State of California, and shall have been accepted by Agent and Lenders in the State of California. Payment to Agent and Lenders by Borrower of the Secured Obligations is due in the State of California. This Agreement and the other Loan Documents shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

11.10 Consent to Jurisdiction and Venue. All judicial proceedings (to the extent that the reference requirement of Section 11.11 is not applicable) arising in or under or related to this Agreement or any of the other Loan Documents may be brought in any state or federal court located in the State of California. By execution and delivery of this Agreement, each party hereto generally and unconditionally: (a) consents to nonexclusive personal jurisdiction in Santa Clara County, State of California; (b) waives any objection as to jurisdiction or venue in Santa Clara County, State of California; (c) agrees not to assert any defense based on lack of jurisdiction or venue in the aforesaid courts; and (d) irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement or the other Loan Documents. Service of process on any party hereto in any action arising out of or relating to this Agreement shall be effective if given in accordance with the requirements for notice set forth in Section 11.2, and shall be deemed effective and received as set forth in Section 11.2. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of either party to bring proceedings in the courts of any other jurisdiction.

11.11 Mutual Waiver of Jury Trial / Judicial Reference.

(a) Because disputes arising in connection with complex financial transactions are most quickly and economically resolved by an experienced and expert Person and the parties wish applicable state and federal laws to apply (rather than arbitration rules), the parties desire that their disputes be resolved by a judge applying such applicable laws. EACH OF BORROWER AGENT AND LENDERS SPECIFICALLY WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY OF ANY CAUSE OF ACTION, CLAIM, CROSS-CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR ANY OTHER CLAIM (COLLECTIVELY, "CLAIMS") ASSERTED BY BORROWER AGAINST AGENT, LENDERS OR THEIR RESPECTIVE ASSIGNEE OR BY AGENT, LENDERS OR THEIR RESPECTIVE ASSIGNEE AGAINST BORROWER. This waiver extends to all such Claims, including Claims that involve Persons other than Agent, Borrower or any Lenders; Claims that arise out of or are in any way connected to the relationship among Borrower, Agent and Lenders; and any Claims for damages, breach of contract, tort, specific performance, or any equitable or legal relief of any kind, arising out of this Agreement, any other Loan Document.

(b) If the waiver of jury trial set forth in Section 11.11(a) is ineffective or unenforceable, the parties agree that all Claims shall be resolved by reference to a private judge sitting without a jury, pursuant to Code of Civil Procedure Section 638, before a mutually acceptable referee or, if the parties cannot agree, a referee selected by the Presiding Judge of the Santa Clara County, California. Such proceeding shall be conducted in Santa Clara County, California, with California rules of evidence and discovery applicable to such proceeding.

(c) In the event Claims are to be resolved by judicial reference, either party may seek from a court identified in Section 11.10, any prejudgment order, writ or other relief and

have such prejudgment order, writ or other relief enforced to the fullest extent permitted by law notwithstanding that all Claims are otherwise subject to resolution by judicial reference.

11.12 Professional Fees. Borrower promises to pay Agent's and Lenders' fees and expenses necessary to finalize the Loan Documents, including but not limited to reasonable attorneys' fees, UCC searches, filing costs, and other miscellaneous expenses. In addition, Borrower promises to pay any and all reasonable attorneys' and other professionals' fees (including allocated costs of in-house counsel) and expenses incurred by Agent and Lenders after the Closing Date in connection with or related to: (a) the Loan; (b) the administration, collection, or enforcement of the Loan; (c) the amendment or modification of the Loan Documents; (d) any waiver, consent, release, or termination under the Loan Documents; (e) the protection, preservation, audit, field exam, sale, lease, liquidation, or disposition of Collateral or the exercise of remedies with respect to the Collateral; (f) any legal, litigation, administrative, arbitration, or out of court proceeding in connection with or related to Borrower or the Collateral, and any appeal or review thereof; and (g) any bankruptcy, restructuring, reorganization, assignment for the benefit of creditors, workout, foreclosure, or other action related to Borrower, the Collateral, the Loan Documents, including representing Agent or Lenders in any adversary proceeding or contested matter commenced or continued by or on behalf of Borrower's estate, and any appeal or review thereof.

11.13 Confidentiality. Agent and Lenders acknowledge that certain items of Collateral and information provided to Agent and Lenders by Borrower are confidential and proprietary information of Borrower, if and to the extent such information either (x) is marked as confidential by Borrower at the time of disclosure, or (y) should reasonably be understood to be confidential (the "Confidential Information"). Accordingly, Agent and Lenders agree that any Confidential Information it may obtain in the course of acquiring, administering, or perfecting Agent's security interest in the Collateral shall not be disclosed to any other Person or entity in any manner whatsoever, in whole or in part, without the prior written consent of Borrower, except that Agent and Lenders may disclose any such information: (a) to its Affiliates and its partners, investors, lenders, directors, officers, employees, agents, advisors, counsel, accountants, representatives and other professional advisors if Agent or Lenders in their sole discretion determine that any such party should have access to such information in connection with such party's responsibilities in connection with the Loan or this Agreement and, provided that such recipient of such Confidential Information either (i) agrees to be bound by the confidentiality provisions of this Section or (ii) is otherwise subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (b) if such information is generally available to the public or to the extent such information becomes publicly available other than as a result of a breach of this Section or becomes available to Agent or any Lender, or any of their respective Affiliates on a non-confidential basis from a source other than Borrower; (c) if required or appropriate in any report, statement or testimony submitted to any Governmental Authority having or claiming to have jurisdiction over Agent or Lenders and any rating agency; (d) if required or appropriate in response to any summons or subpoena or in connection with any litigation, to the extent permitted or deemed advisable by Agent's or Lenders' counsel; (e) to comply with any legal requirement or law applicable to Agent or Lenders or demanded by any Governmental Authority; (f) to the extent reasonably necessary in connection with the exercise of, or preparing to exercise, or the enforcement of, or preparing to enforce, any right or remedy under any Loan Document (including Agent's sale, lease, or other disposition of Collateral after the occurrence of a Default), or any action or proceeding relating to any Loan Document; (g) to any participant or assignee of Agent or Lenders or any prospective participant or assignee, provided, that such participant or assignee or prospective participant or assignee is subject to confidentiality restrictions that reasonably protect against the disclosure of Confidential Information; (h) to any investor or potential investor (and each of their respective Affiliates or clients) in Agent or Lenders (or each of their respective Affiliates); provided that such investor, potential investor, Affiliate or client is subject to confidentiality obligations with respect to the Confidential Information; (i) otherwise to the extent consisting of general portfolio information that does not identify Borrower; or (j) otherwise with the prior consent of Borrower;

provided, that any disclosure made in violation of this Agreement shall not affect the obligations of Borrower or any of its Affiliates or any guarantor under this Agreement or the other Loan Documents. Agent's and Lenders' obligations under this Section 11.13 shall supersede all of their respective obligations under the Non-Disclosure Agreement.

11.14 Assignment of Rights. Borrower acknowledges and understands that Agent or Lenders may, subject to Section 11.7, sell and assign all or part of its interest hereunder and under the Loan Documents to any Person or entity (an "Assignee"). After such assignment the term "Agent" or "Lender" as used in the Loan Documents shall mean and include such Assignee, and such Assignee shall be vested with all rights, powers and remedies of Agent and Lenders hereunder with respect to the interest so assigned; but with respect to any such interest not so transferred, Agent and Lenders shall retain all rights, powers and remedies hereby given. No such assignment by Agent or Lenders shall relieve Borrower of any of its obligations hereunder. Lenders agree that in the event of any transfer by it of the promissory note(s) (if any), it will endorse thereon a notation as to the portion of the principal of the promissory note(s), which shall have been paid at the time of such transfer and as to the date to which interest shall have been last paid thereon.

11.15 Revival of Secured Obligations; Termination. This Agreement and the Loan Documents shall remain in full force and effect and continue to be effective if any petition is filed by or against Borrower for liquidation or reorganization, if Borrower becomes insolvent or makes an assignment for the benefit of creditors, if a receiver or trustee is appointed for all or any significant part of Borrower's assets, or if any payment or transfer of Collateral is recovered from Agent or Lenders. The Loan Documents and the Secured Obligations and Collateral security shall continue to be effective, or shall be revived or reinstated, as the case may be, if at any time payment and performance of the Secured Obligations or any transfer of Collateral to Agent, or any part thereof is rescinded, avoided or avoidable, reduced in amount, or must otherwise be restored or returned by, or is recovered from, Agent, Lenders or by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment, performance, or transfer of Collateral had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, avoided, avoidable, restored, returned, or recovered, the Loan Documents and the Secured Obligations shall be deemed, without any further action or documentation, to have been revived and reinstated except to the extent of the full, final, and indefeasible payment to Agent or Lenders in Cash.

11.16 Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so delivered shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

11.17 No Third Party Beneficiaries. No provisions of the Loan Documents are intended, nor will be interpreted, to provide or create any third-party beneficiary rights or any other rights of any kind in any Person other than Agent, Lenders and Borrower unless specifically provided otherwise herein, and, except as otherwise so provided, all provisions of the Loan Documents will be personal and solely among Agent, Lenders and the Loan Parties party thereto.

11.18 Agency. Agent and each Lender hereby agree to the terms and conditions set forth on Addendum 4 attached hereto. Borrower acknowledges and agrees to the terms and conditions set forth on Addendum 4 attached hereto.

11.19 Publicity. Notwithstanding anything else herein to the contrary, Borrower hereby agrees that the Agent and Lender may, at Agent's or such Lender's sole expense, and without any prior approval by or compensation to the Borrower, make a public announcement of the transactions contemplated by

this Agreement, and may publicize or use (a) the other party's name (including a brief description of the relationship among the parties hereto), logo or hyperlink to such other parties' web site, separately or together, in written and oral presentations, advertising, promotional and marketing materials, client lists, public relations materials or on its web site (together, the "Publicity Materials"); (b) the names of officers of such other parties in the Publicity Materials; and (c) such other parties' name, trademarks, servicemarks in any news or press release concerning such party, in each case to the extent such information is not deemed confidential in accordance with Section 11.13.

11.20 Multiple Borrowers. Each Borrower hereby agrees to the terms and conditions set forth on Addendum 5 attached hereto.

11.21 Managerial Assistance. Borrower acknowledges that Hercules Capital, Inc. has elected to be regulated as a business development company under the 1940 Act, and as such is required to make available significant managerial assistance to its portfolio companies. Significant managerial assistance may include, but is not limited to, guidance and counsel concerning the portfolio company's management, operations, business objectives and policies, arrangement of financing, management of relationships with financing sources, recruitment of management personnel and evaluation of acquisition and divestiture opportunities. Borrower hereby acknowledges and agrees that it may request such assistance at any time from Hercules Capital, Inc. by contacting legal@htgc.com.

11.22 Electronic Execution of Certain Other Documents. The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation assignments, assumptions, amendments, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the California Uniform Electronic Transaction Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

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IN WITNESS WHEREOF, Borrower, Agent and Lenders have duly executed and delivered this Loan and Security Agreement as of the date set forth above.

BORROWER:

ORCHESTRA BIOMED HOLDINGS, INC.

Signature: _____

Print Name: _____

Title: _____

ORCHESTRA BIOMED, INC.

Signature: _____

Print Name: _____

Title: _____

CALIBER THERAPEUTICS, LLC

Signature: _____

Print Name: _____

Title: _____

BACKBEAT MEDICAL, LLC

Signature: _____

Print Name: _____

Title: _____

FREEHOLD SURGICAL, LLC

Signature: _____

Print Name: _____

Title: _____

Accepted in San Mateo, California:

AGENT:

HERCULES CAPITAL, INC.

Signature: _____
Print Name: Jennifer Choe
Title: Deputy General Counsel,
Portfolio Transactions

LENDERS:

HERCULES CAPITAL, INC.

Signature: _____
Print Name: Jennifer Choe
Title: Deputy General Counsel,
Portfolio Transactions

HERCULES CAPITAL IV, L.P.

By: Hercules Technology SBIC Management,
LLC, its General Partner

By: Hercules Capital, Inc., its Manager

Signature: _____
Print Name: Jennifer Choe
Title: Deputy General Counsel,
Portfolio Transactions

HERCULES SBIC V, L.P.

By: Hercules Technology SBIC Management,
LLC, its General Partner

By: Hercules Capital, Inc., its Manager

Signature: _____
Print Name: Jennifer Choe
Title: Deputy General Counsel,
Portfolio Transactions

[SIGNATURE PAGE TO LOAN AND SECURITY AGREEMENT]

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ADDENDUM 1 to LOAN AND SECURITY AGREEMENT

TAXES; INCREASED COSTS

1. **Defined Terms**. For purposes of this Addendum 1:

   a. "**Connection Income Taxes**" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

   b. "**Excluded Taxes**" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (i) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (A) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (B) that are Other Connection Taxes, (ii) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Term Commitment pursuant to a law in effect on the date on which (A) such Lender acquires such interest in the Loan or Term Commitment or (B) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2 or Section 4 of this Addendum 1, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (iii) Taxes attributable to such Recipient's failure to comply with Section 7 of this Addendum 1 and (iv) any withholding Taxes imposed under FATCA. Any Israeli value added tax to the extent applicable and required to be paid with respect to any payment made pursuant to or in connection with any Loan Documents shall not be included in the definition of "Excluded Taxes".

   c. "**FATCA**" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code, and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

   d. "**Foreign Lender**" means a Lender that is not a U.S. Person.

   e. "**Indemnified Taxes**" means (i) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of Borrower under any Loan Document and (ii) to the extent not otherwise described in clause (i), Other Taxes.

   f. "**Other Connection Taxes**" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to

or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

g. "**Other Taxes**" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

h. "**Recipient**" means Agent or any Lender, as applicable.

i. "**Withholding Agent**" means Borrower and Agent.

2. **Payments Free of Taxes**. Any and all payments by or on account of any obligation of Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2 or Section 4 of this Addendum 1) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

3. **Payment of Other Taxes by Borrower**. Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of Agent timely reimburse it for the payment of, any Other Taxes. Any payment by or on account of any obligation of the Borrower under any Loan Document shall be exclusive of value added Tax chargeable thereon, and any and all such value added Tax shall be borne and paid by the Borrower.

4. **Indemnification by Borrower**. Borrower shall indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under Section 2 of this Addendum 1 or this Section 4) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate describing the amount of such payment or liability delivered to Borrower by a Lender (with a copy to Agent), or by Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. In addition, Borrower agrees to pay, and to hold Agent and any Lender harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all excise, sales or other similar Taxes (excluding Taxes imposed on or measured by the net income of Agent or such Lender) that may be payable or determined to be payable with respect to any of the Collateral or this Agreement.

5. **Indemnification by Lenders**. Each Lender shall severally indemnify Agent, within ten (10) days after demand therefor, for any Indemnified Taxes attributable to such Lender (but only to the extent that Borrower has not already indemnified Agent for such Indemnified Taxes and without limiting the obligation of Borrower to do so), that are payable or paid by Agent in connection with any Loan

Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by Agent to Lenders from any other source against any amount due to Agent under this Section 5.

6. **Evidence of Payments**. As soon as practicable after any payment of Taxes by Borrower to a Governmental Authority pursuant to the provisions of this Addendum 1, Borrower shall deliver to Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Agent.

7. **Status of Lenders**.

   a. Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower and Agent, at the time or times reasonably requested by Borrower or Agent, such properly completed and executed documentation reasonably requested by Borrower or Agent as will permit such payments to be made without withholding or at a reduced rate of withholding, provided, notwithstanding the foregoing, with respect to Israeli Taxes, such Lender shall not be required to (but may, at its sole discretion) file the application for a certificate of exemption from withholding or reduced rate of withholding from the Israel Tax Authority (it being understood that a decision by the Lender not to file such application shall not derogate from such Lender's obligations to provide documentation to the Borrower pursuant to the terms of this Section 7(a) so that the Borrower may file such application). It is hereby clarified that failure to receive certificate of exemption from withholding or reduced rate of withholding from the Israel Tax Authority shall not derogate from Borrower's rights and obligations under Section 2 of this Addendum 1.. In addition, any Lender, if reasonably requested by Borrower or Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower or Agent as will enable Borrower or Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 7(b)(i), 7(b)(ii) and 7(b)(iv) of this Addendum 1) shall not be required if in such Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense ~~or~~, would materially prejudice the legal or commercial position of such Lender, or if such Lender cannot obtain, in a reasonable manner (as determined in its sole discretion), any information requested by the Borrower.

   b. Without limiting the generality of the foregoing, in the event that Borrower is a U.S. Person,

      i. any Lender that is a U.S. Person shall deliver to Borrower and Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

      ii. any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Agent (in such number of copies as shall be requested by the

recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), whichever of the following is applicable:

A. in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

B. executed copies of IRS Form W-8ECI;

C. in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to Borrower as described in Section 881(c)(3)(C) of the Code (a "**U.S. Tax Compliance Certificate**") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

D. to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

iii. any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower and Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower or Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Borrower or Agent to determine the withholding or deduction required to be made; and

iv. if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to

Borrower and Agent at the time or times prescribed by law and at such time or times reasonably requested by Borrower or Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower or Agent as may be necessary for Borrower and Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (iv), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

c. Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower and Agent in writing of its legal inability to do so.

8. **Treatment of Certain Refunds**. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to the provisions of this Addendum 1 (including by the payment of additional amounts pursuant to the provisions of this Addendum 1), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under the provisions of this Addendum 1 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest and indexation differentials paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 8 (plus any penalties, interest, indexation differentials, or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 8, in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 8 the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 8 shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

9. **Increased Costs**. If any change in applicable law shall subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (ii) through (iv) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, and the result shall be to increase the cost to such Recipient of making, converting to, continuing or maintaining any Term Loan Advance or of maintaining its obligation to make any such Loan, or to reduce the amount of any sum received or receivable by such Recipient (whether of principal, interest or any other amount), then, upon the request of such Recipient, Borrower will pay to such Recipient such additional amount or amounts as will compensate such Recipient for such additional costs incurred or reduction suffered.

10. **Survival**. Each party's obligations under the provisions of this Addendum 1 shall survive the resignation or replacement of Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Term Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

ADDENDUM 3 to LOAN AND SECURITY AGREEMENT

SBIC

1.1 *Borrower's Business*. For purposes of this Addendum 3, Borrower shall be deemed to include its "affiliates" as defined in Title 13 Code of Federal Regulations Section 121.103. Borrower (i) represents and warrants to Agent and Lenders, with respect to subsection (a) below, as of the initial SBA Funding Date, and (ii) represents and warrants to Agent and Lenders, as of each SBA Funding Date and covenants to Agent and Lenders for a period of one year after each SBA Funding Date or for such longer period as set forth below with respect to subsections 1.2, 1.3, 1.4, 1.5, 1.6 and 1.7 below, as follows:

(a) Size Status. Borrower's primary NAICS code is 541715 and Borrower has less than One Thousand (1,000) employees in the aggregate (as determined in accordance with Title 13 of Federal Regulations Section 121.106);

(b) No Relender. Borrower's primary business activity does not involve, directly or indirectly, providing funds to others, purchasing debt obligations, factoring, or long-term leasing of equipment with no provision for maintenance or repair;

(c) No Passive Business. Borrower is engaged in a regular and continuous business operation (excluding the mere receipt of payments such as dividends, rents, lease payments, or royalties). Borrower's employees are carrying on the majority of day to day operations. Borrower will not pass through substantially all of the proceeds of the Loan to another entity;

(d) No Real Estate Business. Borrower is not classified under North American Industry Classification System (NAICS) codes 531110 (lessors of residential buildings and dwellings), 531120 (lessors of nonresidential buildings except miniwarehouses), 531190 (lessors of other real estate property), 237210 (land subdivision), or 236117 (new housing for-sale builders). Borrower is not classified under NAICS codes 236118 (residential remodelers), 236210 (industrial building construction), or 236220 (commercial and institutional building construction), if Borrower is primarily engaged in construction or renovation of properties on its own account rather than as a hired contractor. Borrower is not classified under NAICS codes 531210 (offices of real estate agents and brokers), 531311 (residential property managers), 531312 (nonresidential property managers), 531320 (offices of real estate appraisers), or 531390 (other activities related to real estate), unless it derives at least 80 percent of its revenue from non-Affiliate sources. The proceeds of the Loan will not be used to acquire or refinance real property unless Borrower (x) is acquiring an existing property and will use at least 51 percent of the usable square footage for its business purposes; (y) is building or renovating a building and will use at least 67 percent of the usable square footage for its business purposes; or (z) occupies the subject property and uses at least 67 percent of the usable square footage for its business purposes.

(e) No Project Finance. Borrower's assets are not intended to be reduced or consumed, generally without replacement, as the life of its business progresses, and the nature of Borrower's business does not require that a stream of cash payments be made to the business's financing sources, on a basis associated with the continuing sale of assets (e.g., real estate development projects and oil and gas wells). The primary purpose of the Loan is not to fund

production of a single item or defined limited number of items, generally over a defined production period, where such production will constitute the majority of the activities of Borrower (e.g., motion pictures and electric generating plants).

(f) No Farm Land Purchases. Borrower will not use the proceeds of the Loan to acquire farm land which is or is intended to be used for agricultural or forestry purposes, such as the production of food, fiber, or wood, or is so taxed or zoned.

(g) No Foreign Investment. The proceeds of the Loan will not be used substantially for a foreign operation, passed through to a foreign business or used to acquire a foreign business. Borrower will not have, on or within one year after each SBA Funding Date and each other Loan provided by a Lender that is an SBIC more than 49 percent of its employees or tangible assets located outside the United States of America.

1.2 *Small Business Administration Documentation*. Agent and Lenders acknowledge that Borrower completed, executed and delivered to Agent prior to each SBA Funding Date SBA Forms 480, 652 and 1031 (Parts A and B) together with a business plan showing Borrower's financial projections (including balance sheets and income and cash flows statements) for the period described therein and a written statement (whether included in the purchase agreement or pursuant to a separate statement) from Agent regarding its intended use of proceeds from the sale of securities to Lenders (the "Use of Proceeds Statement"). Borrower represents and warrants to Agent and Lenders that the information regarding Borrower and its affiliates set forth in the SBA Form 480, Form 652 and Form 1031 and the Use of Proceeds Statement delivered as of each SBA Funding Date is accurate and complete.

1.3 *Inspection*. The following covenants contained in this Section 3 are intended to supplement and not to restrict the related provisions of the Loan Documents. Subject to the preceding sentence, Borrower will permit, for so long as Lenders hold any debt or equity securities of Borrower, Agent, Lenders or their representative, at Agent's or Lenders' expense, and examiners of the SBA to visit and inspect the properties and assets of Borrower, to examine its books of account and records, and to discuss Borrower's affairs, finances and accounts with Borrower's officers, senior management and accountants, all at such reasonable times as may be requested by Agent or Lenders or the SBA.

1.4 *Annual Assessment*. Upon request of Agent or Lender, promptly after the end of each calendar year (but in any event prior to February 28 of each year) and at such other times as may be reasonably requested by Agent or Lenders, Borrower will deliver to Agent a written assessment of the economic impact of Lenders' investment in Borrower, specifying the full-time equivalent net jobs created and total jobs created or retained in connection with the investment, the impact of the investment on the revenues and profits of Borrower's business and on taxes paid by Borrower and its employees, and such other information as may be required regarding Borrower in connection with the filing of Lenders' SBA Form 468. Lenders will assist Borrower with preparing such assessment. In addition to any other rights granted hereunder, Borrower will grant Agent and Lenders and the SBA access to Borrower's books and records for the purpose of verifying the use of such proceeds. Borrower also will furnish or cause to be furnished to Agent and Lenders such other information regarding the business, affairs and condition of Borrower as Agent or Lenders may from time to time reasonably request, and such information shall be certified by the President, Chief Executive Officer or Chief Financial Officer of Borrower to the extent requested by Agent or Lender for compliance with the SBIC Act.

1.5 *Use of Proceeds.* Borrower will use the proceeds from the Loan only for purposes set forth in Section 7.17. Borrower will deliver to Agent from time to time promptly following Agent's request, a written report, certified as correct by Borrower's Chief Financial Officer, verifying the purposes and amounts for which proceeds from the Loan have been disbursed. Borrower will supply to

Agent such additional information and documents as Agent reasonably requests with respect to its use of proceeds and will permit Agent and Lenders and the SBA to have access to any and all Borrower records and information and personnel as Agent deems necessary to verify how such proceeds have been or are being used, and to assure that the proceeds have been used for the purposes specified in Section 7.17.

1.6 *Activities and Proceeds*. Neither Borrower nor any of its affiliates (if any) will engage in any activities or use directly or indirectly the proceeds from the Loan for any purpose for which a small business investment company is prohibited from providing funds by the SBIC Act, including 13 C.F.R. §107.720. Borrower shall not, nor shall it cause or permit any of its subsidiaries to, without obtaining the prior written approval of Agent, change Borrower's or any such subsidiary's business activities from that conducted on the date hereof to a business activity from which a licensee under the SBIC Act is prohibited from providing funds by the SBIC Act. Borrower agrees that any such change in its or any such subsidiary's business activities without such prior written consent of Agent shall constitute a material breach of the obligations of Borrower under this Addendum 1.

1.7 *Compliance and Resolution.* Borrower agrees that a failure to comply with Borrower's obligations under this Addendum, or any other set of facts or circumstances where it has been asserted by any governmental regulatory agency (or Agent or Lenders believe that there is a substantial risk of such assertion) that Agent, Lenders and their affiliates are not entitled to hold, or exercise any significant right with respect to, any securities issued to Lenders by Borrower, will constitute a breach of the obligations of Borrower under the financing agreements among Borrower, Agent and Lenders. In the event of (i) a failure to comply with Borrower's obligations under this Addendum; or (ii) an assertion by any governmental regulatory agency (or Agent or Lenders believe that there is a substantial risk of such assertion) of a failure to comply with Borrower's obligations under this Addendum, then (y) Agent, Lenders and Borrower will meet and resolve any such issue in good faith to the satisfaction of Borrower, Agent, Lenders, and any governmental regulatory agency, and (z) upon request of Lenders or Agent, Borrower will cooperate and assist with any assignment of the financing agreements among Hercules Capital IV, L.P., Hercules SBIC V, L.P. and Hercules Capital, Inc.

ADDENDUM 4 to LOAN AND SECURITY AGREEMENT

Agent and Lender Terms

(a) Each Lender hereby irrevocably appoints Hercules Capital, Inc. to act on its behalf as Agent hereunder and under the other Loan Documents and irrevocably authorizes Agent to take such actions on its behalf and to exercise such powers as are delegated to Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. Agent shall have only those duties which are specified in this Agreement and it may perform such duties by or through its agents, representatives or employees. In performing its duties on behalf of Lenders, Agent shall exercise the same care which it would exercise in dealing with loans made for its own account, but it shall not be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency of all or any of the Loan Documents, or for any representations, warranties, recitals or statements made therein or made in any written or oral statement or in any financial or other statements, instruments, reports, certificates or any other documents furnished or delivered in connection herewith or therewith by Agent to any Lender or by or on behalf of Borrower to Agent or any Lender, or be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained herein or therein, as to the use of the proceeds of the Term Loan Advances, the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or the satisfaction of any condition set forth in Section 4 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Agent. Agent shall not be responsible for insuring the Collateral or for the payment of any Taxes, assessments, charges or any other charges or liens of any nature whatsoever upon the Collateral or otherwise for the maintenance of the Collateral, except in the event Agent enters into possession of a part or all of the Collateral, in which event Agent shall preserve the part in its possession. Unless the officers of Agent acting in their capacity as officer of Agent on Borrower's account have actual knowledge thereof or have been notified in writing thereof by Lenders, Agent shall not be required to ascertain or inquire as to the existence or possible existence of any Event of Default.

(b) Neither Agent nor any of its officers, directors, employees, attorneys, representatives or agents shall be liable to Lenders for any action taken or omitted hereunder or under any of the other Loan Documents or in connection herewith or therewith unless caused by its or their gross negligence or willful misconduct. No provision of this Agreement or of any other Loan Document shall be deemed to impose any duty or obligation on Agent to perform any act or to exercise any power in any jurisdiction in which it shall be illegal, or shall be deemed to impose any duty or obligation on Agent to perform any act or exercise any right or power if such performance or exercise (a) would subject Agent to a Tax in a jurisdiction where it is not then subject to a Tax or (b) would require Agent to qualify to do business in any jurisdiction where it is not so qualified. Without prejudice to the generality of the foregoing, no Lender shall have any right of action whatsoever against Agent as a result of Agent acting or (where so instructed) refraining from acting under this Agreement or under any of the other Loan Documents in accordance with the instructions of Lenders. Agent shall be entitled to refrain from exercising any power, discretion or authority vested in it under this Agreement unless and until it has obtained the written instructions of Lenders. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon Agent in its individual capacity. With respect to its participation in the Loan Agreement hereunder, Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same

rights and powers as though it were not performing the duties and functions delegated to it hereunder and the term "Lender" or "Lenders" or any similar term shall unless the context clearly indicates otherwise include Agent in its individual capacity.

(c) Agent may rely, and shall be fully protected in acting, or refraining to act, upon, any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order, bond or other paper or document that it has no reason to believe to be other than genuine and to have been signed or presented by the proper party or parties or, in the case of cables, telecopies and telexes, to have been sent by the proper party or parties. In the absence of its gross negligence or willful misconduct, Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to Agent and conforming to the requirements of this Agreement or any of the other Loan Documents. Agent may consult with counsel, and any opinion or legal advice of such counsel shall be full and complete authorization and protection in respect of any action taken, not taken or suffered by Agent hereunder or under any Loan Documents in accordance therewith. Agent shall have the right at any time to seek instructions concerning the administration of the Collateral from any court of competent jurisdiction. Agent shall not be under any obligation to exercise any of the rights or powers granted to Agent by this Agreement and the other Loan Documents at the request or direction of Lenders unless Agent shall have been provided by Lenders with adequate security and indemnity against the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction.

(d) Each Lender agrees to indemnify Agent in its capacity as such (to the extent not reimbursed by Borrower and without limiting the obligation of Borrower to do so), according to its respective Term Commitment percentages (based upon the total outstanding Term Commitments) in effect on the date on which indemnification is sought under this Addendum 4, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time be imposed on, incurred by or asserted against Agent in any way relating to or arising out of, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by Agent under or in connection with any of the foregoing; The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder.

(e) To the extent not reimbursed either by Borrower or from the application of Collateral proceeds pursuant to Section 10.2, a Lender (the "Indemnified Lender") shall be indemnified by the other Lender (an "Indemnifying Lender"), on a several basis in proportion to each Lender's pro rata portion of the Term Commitment, and each Indemnifying Lender agrees to reimburse the Indemnified Lender for the Indemnifying Lender's pro rata share of the following items (an "Indemnified Payment"):

(i) all reasonable out-of-pocket costs and expenses of the Indemnified Lender incurred by the Indemnified Lender in connection with the discharge of its activities under this Agreement or the Loan Agreement, including reasonable legal expenses and attorneys' fees; provided, that the Indemnified Lender shall consult with the other Lender regarding the incurrence of such costs and expenses at reasonable intervals (but not more often than monthly) and any such reasonable costs and expenses shall be "Claims" hereunder notwithstanding any disagreement by the other Lender as to their incurrence; and

(ii) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever, which may be imposed on, incurred by or asserted against the Indemnified Lender in any way relating to or arising out of this Agreement, or any action taken or omitted by the Indemnified Lender hereunder;

provided, however, that the Indemnified Lender shall not be reimbursed or indemnified for an Indemnified Payment, except to the extent that the Indemnified Lender paid more than its ratable share of such payment. All Indemnified Payments as set forth in this clause (e) to an Indemnified Lender are intended to be paid ratably by the other Lender.

(f) Agent in Its Individual Capacity. The Person serving as Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not Agent and the term "Lender" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each such Person serving as Agent hereunder in its individual capacity.

(g) Exculpatory Provisions. Agent shall have no duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, Agent shall not:

(i) be subject to any fiduciary, advisory or other implied duties, regardless of whether any Default or any Event of Default has occurred and is continuing;

(ii) have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that Agent is required to exercise as directed in writing by Lenders, provided that Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Agent to liability or that is contrary to any Loan Document or applicable law; and

(iii) except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and Agent shall not be liable for the failure to disclose, any information relating to Borrower or any of its Affiliates that is communicated to or obtained by any Person serving as Agent or any of its Affiliates in any capacity.

(h) In connection with any exercise of Enforcement Actions hereunder, neither any Agent nor any Lender or any of its partners, or any of their respective directors, officers, employees, attorneys, accountants, or agents shall be liable as such for any action taken or omitted by it or them, except for its or their own gross negligence or willful misconduct with respect to its duties under this Agreement.

(i) Each Lender and Agent may execute any of its powers and perform any duties hereunder either directly or by or through agents or attorneys-in-fact. Each Lender and Agent shall be entitled to advice of counsel concerning all matters pertaining to such powers and duties. No Lender or Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it, if the selection of such agents or attorneys-in-fact was done without gross negligence or willful misconduct.

Each Lender agrees that it will make its own independent investigation of the financial condition and affairs of Borrower in connection with the making of Term Loan Advances pursuant to the Loan Agreement and has made and shall continue to make its own appraisal of the creditworthiness of Borrower. Neither Agent nor any Lender shall have any duty or responsibility either initially or on a continuing basis to make any such investigation or any such appraisal on behalf of all Lenders or to provide the other Lenders with any credit or other information with respect thereto whether coming into its possession before the date hereof or any time or times thereafter and shall further have no responsibility with respect to the accuracy of or the completeness of the information provided to Lenders by Borrower.

ADDENDUM 5 to LOAN AND SECURITY AGREEMENT

Multiple Borrower Terms

(a) Borrower's Agent. Each Borrower hereby irrevocably appoints Company as its agent, attorney-in-fact and legal representative for all purposes, including requesting disbursement of the Term Loan and receiving account statements and other notices and communications to Borrowers (or any of them) from Agent or any Lender. Agent may rely, and shall be fully protected in relying, on any request for the Term Loan Advances, disbursement instruction, report, information or any other notice or communication made or given by Company, whether in its own name or on behalf of one or more of the other Borrowers, and Agent shall not have any obligation to make any inquiry or request any confirmation from or on behalf of any other Borrower as to the binding effect on it of any such request, instruction, report, information, other notice or communication, nor shall the joint and several character of Borrowers' obligations hereunder be affected thereby.

(b) Waivers. Each Borrower hereby waives: (i) any right to require Agent to institute suit against, or to exhaust its rights and remedies against, any other Borrower or any other person, or to proceed against any property of any kind which secures all or any part of the Secured Obligations, or to exercise any right of offset or other right with respect to any reserves, credits or deposit accounts held by or maintained with Agent or any Indebtedness of Agent or any Lender to any other Borrower, or to exercise any other right or power, or pursue any other remedy Agent or any Lender may have; (ii) any defense arising by reason of any disability or other defense of any other Borrower or any guarantor or any endorser, co-maker or other person, or by reason of the cessation from any cause whatsoever of any liability of any other Borrower or any guarantor or any endorser, co-maker or other person, with respect to all or any part of the Secured Obligations, or by reason of any act or omission of Agent or others which directly or indirectly results in the discharge or release of any other Borrower or any guarantor or any other person or any Secured Obligations or any security therefor, whether by operation of law or otherwise; (iii) any defense arising by reason of any failure of Agent to obtain, perfect, maintain or keep in force any Lien on, any property of any Borrower or any other person; (iv) any defense based upon or arising out of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against any other Borrower or any guarantor or any endorser, co-maker or other person, including without limitation any discharge of, or bar against collecting, any of the Secured Obligations (including without limitation any interest thereon), in or as a result of any such proceeding. Until all of the Secured Obligations have been paid, performed, and discharged in full, nothing shall discharge or satisfy the liability of any Borrower hereunder except the full performance and payment of all of the Secured Obligations. If any claim is ever made upon Agent for repayment or recovery of any amount or amounts received by Agent in payment of or on account of any of the Secured Obligations, because of any claim that any such payment constituted a preferential transfer or fraudulent conveyance, or for any other reason whatsoever, and Agent repays all or part of said amount by reason of any judgment, decree or order of any court or administrative body having jurisdiction over Agent or any of its property, or by reason of any settlement or compromise of any such claim effected by Agent with any such claimant (including without limitation the any other Borrower), then and in any such event, each Borrower agrees that any such judgment, decree, order, settlement and compromise shall be binding upon such Borrower, notwithstanding any revocation or release of this Agreement or the cancellation of any note or other instrument evidencing any of the Secured Obligations, or any release of any of the Secured Obligations, and each Borrower shall be and remain liable to Agent and Lenders under this Agreement for the amount so repaid or recovered, to the same extent as if such amount had never originally been received by Agent or any Lender, and the provisions of this sentence shall survive, and continue in effect, notwithstanding any revocation or release of this Agreement. Each Borrower hereby expressly and unconditionally waives all rights of subrogation, reimbursement and indemnity of every kind against any other Borrower, and all rights of recourse to any assets or property of any other Borrower, and all rights to any collateral or security held for the payment and performance of any Secured Obligations, including (but not limited to) any of the foregoing rights which Borrower may have

under any present or future document or agreement with any other Borrower or other person, and including (but not limited to) any of the foregoing rights which any Borrower may have under any equitable doctrine of subrogation, implied contract, or unjust enrichment, or any other equitable or legal doctrine.

(c) Consents. Each Borrower hereby consents and agrees that, without notice to or by Borrower and without affecting or impairing in any way the obligations or liability of Borrower hereunder, Agent may, from time to time before or after revocation of this Agreement, do any one or more of the following in its sole and absolute discretion: (i) accept partial payments of, compromise or settle, renew, extend the time for the payment, discharge, or performance of, refuse to enforce, and release all or any parties to, any or all of the Secured Obligations; (ii) grant any other indulgence to any Borrower or any other Person in respect of any or all of the Secured Obligations or any other matter; (iii) accept, release, waive, surrender, enforce, exchange, modify, impair, or extend the time for the performance, discharge, or payment of, any and all property of any kind securing any or all of the Secured Obligations or any guaranty of any or all of the Secured Obligations, or on which Agent at any time may have a Lien, or refuse to enforce its rights or make any compromise or settlement or agreement therefor in respect of any or all of such property; (iv) substitute or add, or take any action or omit to take any action which results in the release of, any one or more other Borrowers or any endorsers or guarantors of all or any part of the Secured Obligations, including, without limitation one or more parties to this Agreement, regardless of any destruction or impairment of any right of contribution or other right of Borrower; (v) apply any sums received from any other Borrower, any guarantor, endorser, or co-signer, or from the disposition of any Collateral or security, to any Indebtedness whatsoever owing from such person or secured by such Collateral or security, in such manner and order as Agent determines in its sole discretion, and regardless of whether such Indebtedness is part of the Secured Obligations, is secured, or is due and payable. Each Borrower consents and agrees that Agent shall be under no obligation to marshal any assets in favor of Borrower, or against or in payment of any or all of the Secured Obligations. Each Borrower further consents and agrees that Agent shall have no duties or responsibilities whatsoever with respect to any property securing any or all of the Secured Obligations. Without limiting the generality of the foregoing, Agent shall have no obligation to monitor, verify, audit, examine, or obtain or maintain any insurance with respect to, any property securing any or all of the Secured Obligations.

(d) Independent Liability. Each Borrower hereby agrees that one or more successive or concurrent actions may be brought hereon against such Borrower, in the same action in which any other Borrower may be sued or in separate actions, as often as deemed advisable by Agent. Each Borrower is fully aware of the financial condition of each other Borrower and is executing and delivering this Agreement based solely upon its own independent investigation of all matters pertinent hereto, and such Borrower is not relying in any manner upon any representation or statement of Agent or any Lender with respect thereto. Each Borrower represents and warrants that it is in a position to obtain, and each Borrower hereby assumes full responsibility for obtaining, any additional information concerning any other Borrower's financial condition and any other matter pertinent hereto as such Borrower may desire, and such Borrower is not relying upon or expecting Agent to furnish to it any information now or hereafter in Agent's possession concerning the same or any other matter.

(e) Subordination. All Indebtedness of a Borrower now or hereafter arising held by another Borrower is subordinated to the Secured Obligations and Borrower holding the Indebtedness shall take all actions reasonably requested by Agent to effect, to enforce and to give notice of such subordination.

(f) Service of Process. Each Subsidiary that is organized outside of the United States of America shall appoint CT Corporation System, or other agent acceptable to Agent, as its agent for the purpose of accepting service of any process in the United States of America, evidenced by a service of process letter in form and substance satisfactory to Agent (each, a "Process Letter"). Each such Loan Party shall take all actions, including payment of fees to such agent, to ensure that each Process Letter remains effective at all times.

[Certain information contained in this exhibit has been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K, as indicated with the notation "[***]", because such information is both not material and is the type that the registrant treats as private or confidential.

Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. Orchestra BioMed Holdings, Inc. agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.]

Execution Version

THIRD AMENDMENT
TO
LOAN AND SECURITY AGREEMENT

This **THIRD AMENDMENT TO LOAN AND SECURITY AGREEMENT** (this "**Amendment**") is dated as of April 6, 2026, and is entered into by and among (a) (i) ORCHESTRA BIOMED HOLDINGS, INC., a Delaware corporation ("**Company**"), (ii) ORCHESTRA BIOMED, INC., a Delaware corporation ("**BioMed**"), (iii) CALIBER THERAPEUTICS, LLC, a Delaware limited liability company ("**Caliber**"), (iv) BACKBEAT MEDICAL, LLC, a Delaware limited liability company ("**BackBeat**"), (v) FREEHOLD SURGICAL, LLC, a Delaware limited liability company ("Freehold"), (vi) MOTUS GI, LLC, a Delaware limited liability company ("**Motus US**"), and (vii) MOTUS GI MEDICAL TECHNOLOGIES LTD., a company organized under the laws of the State of Israel ("**Motus ISR**", and together with Company, Biomed, Caliber, BackBeat, Freehold and Motus US, individually or collectively, as the context may require, "**Borrower**"), (b) the several banks and other financial institutions or entities from time to time party to the Loan Agreement (as defined below) (individually or collectively, as the context may require, "**Lender**") and (c) HERCULES CAPITAL, INC., a Maryland corporation, in its capacity as administrative agent and collateral agent for itself and the Lender (in such capacity, including any successors or assigns, "**Agent**"). *Capitalized terms used herein without definition shall have the same meanings given them in the Loan Agreement*.

RECITALS

A. Borrower, Agent and Lender have entered into that certain Loan and Security Agreement dated as of November 6, 2024, among Borrower, Agent and Lender, as amended by that certain First Amendment to Loan and Security Agreement dated as of December 30, 2024 and by that certain Second Amendment to Loan and Security Agreement dated as of July 31, 2025 (as has been and as may be further amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"), pursuant to which Lender has agreed to extend and make available to Borrower certain advances of money.

B. In accordance with Section 11.3 of the Loan Agreement, Borrower has requested that Agent and Lender agree to amend certain provisions of the Loan Agreement.

C. Agent and Lender have agreed to so amend the Loan Agreement upon the terms and conditions more fully set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. AMENDMENTS.

1.1 Section 1.1 (Definitions). Section 1.1 of the Loan Agreement is amended by inserting the following new terms and their respective definitions to appear alphabetically in Section 1.1 thereof:

" "Third Amendment Closing Date" means April 6, 2026."

“ “Vivasure Agreement” means the Agreement publicly announced on January 9, 2026 between Haemonetics Corporation and Vivasure Medical Limited.”

1.2 Section 1.1 (Definitions). Section 1.1 of the Loan Agreement is hereby amended by amending and restating each of the definitions set forth below in their entirety as follows:

“ “All Source Cash Proceeds” means unrestricted (including, not subject to any redemption, clawback, escrow or similar encumbrance or restriction) net cash proceeds from one or more (i) bona fide equity financings, (ii) upfront payments, milestone payments or other contractually obligated payments from business development partnerships permitted under this Agreement and (iii) asset sales or dispositions permitted under this Agreement. Notwithstanding the foregoing, “All Source Cash Proceeds” shall exclude: (i) proceeds from any transactions pursuant to the Revenue Interest Purchase Agreement, (ii) proceeds of any Subordinated Indebtedness financing with Medtronic, Inc. and (iii) the first Eleven Million Dollars ($11,000,000) of net cash proceeds received pursuant to the Vivasure Agreement.”

“ “Amortization Date” means June 1, 2028.”

“ “Cash Coverage Percentage” means (a) prior to the occurrence of the Clinical Milestone Date, 55%, provided, however, that (i) at any time that Qualified Cash is less than Thirty Five Million Dollars ($35,000,000) but equal to or greater than Twenty Five Million Dollars ($25,000,000), the Cash Coverage Percentage shall be 65% and (ii) at any time that Qualified Cash is less than Twenty Five Million Dollars ($25,000,000), the Cash Coverage Percentage shall be 75%, or (b) upon and after the occurrence of the Clinical Milestone Date, 45%, provided, however, that (i) at any time that Qualified Cash is less than Thirty Five Million Dollars ($35,000,000) but equal to or greater than Twenty Five Million Dollars ($25,000,000), the Cash Coverage Percentage shall be 55% and (ii) at any time that Qualified Cash is less than Twenty Five Million Dollars ($25,000,000), the Cash Coverage Percentage shall be 65%.”

“ “Testing Effective Date” means January 1, 2027; provided, however, that such date shall be extended for any Testing Extension Period that may occur prior to the Testing Effective Date then in effect. Notwithstanding anything to the contrary herein, in no event shall the “Testing Effective Date” be later than January 1, 2028.”

“ “Testing Extension Period” means, for each [***] increment of cumulative All Source Cash Proceeds received by Borrower on or after January 1, 2026 (which, for the avoidance of doubt, shall include any amounts that were received after such date and not previously counted towards satisfying a [***] increment) and subject to verification by Agent in its reasonable discretion (including supporting documentation requested by Agent), a period of ninety-one (91) days beginning from the latest of (i) the Testing Effective Date then in effect at the time of such receipt, (ii) the last day of the Testing Extension Period (if any) then in effect at the time of such receipt and (iii) the date on which cumulative All Source Cash Proceeds received by Borrower are sufficient to satisfy such [***] increment. For the avoidance of doubt, each [***] increment shall be deemed satisfied on the date on which the last dollar of All Source Cash Proceeds necessary to complete such increment is received by Borrower. Notwithstanding anything to the contrary herein, in no event shall any “Testing Extension Period” end later than January 1, 2028.”

1.3 Section 1.1 (Definitions). Section 1.1 of the Loan Agreement is hereby amended by deleting the following defined terms in their entirety: "First Interest Only Extension Condition", "Second Interest Only Extension Condition", "Financing Milestone III", "Financing Milestone III Date", "Financing Milestone IV" and Financing Milestone IV Date".

1.4 Section 7.21 (Financial Covenants). Section 7.21(a)(i) of the Loan Agreement is hereby amended and restated in its entirety as follows:

> " (i) Beginning on the Testing Effective Date and at all times thereafter (except during any Testing Extension Period), Borrower shall maintain Qualified Cash in an amount greater than or equal to (x) the outstanding principal amount of the Term Loan Advances, *multiplied by* (y) the applicable Cash Coverage Percentage."

1.5 Exhibit E (Compliance Certificate). Exhibit E of the Loan Agreement is hereby deleted and replaced by the Exhibit E appearing as Annex A to this Amendment.

2. BORROWER'S REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants that:

2.1 Immediately upon giving effect to this Amendment (i) the representations and warranties contained in the Loan Documents are true and correct in all material respects except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects as of such date, provided that the representation in Section 5.15 of the Loan Agreement shall also include confirmation that Motus ISR is not deemed insolvent under the Israeli Insolvency Law; and (ii) no default or Event of Default has occurred and is continuing with respect to which Borrower has not been notified in writing by Agent or Lender.

2.2 Borrower has the corporate or other applicable company power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment. Motus ISR has not been declared nor has it been warned that it may be declared a "breaching company" ("*hevrah meferah*") by the Israeli Companies Registrar, as such term is defined in the Israeli Companies Law.

2.3 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized by all necessary corporate or other applicable company action on the part of Borrower.

2.4 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws affecting creditors' rights generally and by general principles of equity.

2.5 As of the date hereof, Borrower has no defenses against the obligations to pay any amounts under the Secured Obligations. Borrower acknowledges that each of Agent and Lender has, as of the date hereof, acted in good faith and has conducted in a commercially reasonable manner its relationships with Borrower in connection with this Amendment and in connection with the Loan Documents.

Borrower understands and acknowledges that each of Agent and Lender is entering into this Amendment in reliance upon, and in partial consideration for, the above representations and warranties, and agrees that such reliance is reasonable and appropriate.

3. LIMITATION. The amendments set forth in this Amendment shall be limited precisely as written and shall not be deemed (a) to be a waiver or modification of any other term or condition of the Loan Agreement or of any other instrument or agreement referred to therein or to prejudice any right or remedy which Agent and/or Lender may now have or may have in the future under or in connection with the Loan Agreement (as amended hereby) or any instrument or agreement referred to therein; or (b) to be a consent to any future amendment or modification or waiver to any instrument or agreement the execution and delivery of which is consented to hereby. Except as expressly amended hereby, the Loan Agreement shall continue in full force and effect.

4. EFFECTIVENESS. This Amendment shall become effective upon the satisfaction of all the following conditions precedent (such date of satisfaction of all such conditions precedent, the "**Third Amendment Closing Date**"):

4.1 Amendment. Borrower, Agent and Lender shall have duly executed and delivered this Amendment to Agent.

4.2 Payment **of Lender Fees and Expenses.** Borrower shall have paid (or shall cause to be paid within one (1) Business Day of the date hereof) to Agent, on behalf of Lender, an amendment fee in the amount of Fifty Thousand Dollars ($50,000).

5. RELEASE. In consideration of the agreements of Agent and each Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, on behalf of itself and its successors, assigns, and other legal representatives, hereby to the extent possible under applicable law fully, absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and each Lender, and its successors and assigns, and its present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, Lender and all such other persons being hereinafter referred to collectively as the "**Releasees**" and individually as a "**Releasee**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which Borrower, or any of its successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time prior to the execution of this Amendment, for or on account of, or in relation to, or in any way in connection with the Loan Agreement, or any of the other Loan Documents or transactions thereunder or related thereto. Borrower understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release. Borrower agrees that no fact, event, circumstance, evidence or transaction existing prior to the execution of this Amendment which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above. Borrower waives the provisions of California Civil Code section 1542, which states:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT

THE TIME OF EXECUTING THE RELEASE AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

6. COUNTERPARTS. This Amendment may be signed in any number of counterparts, and by different parties hereto in separate counterparts, with the same effect as if the signatures to each such counterpart were upon a single instrument. All counterparts shall be deemed an original of this Amendment. This Amendment may be executed by facsimile, portable document format (.pdf) or similar technology signature, and such signature shall constitute an original for all purposes.

7. INCORPORATION BY REFERENCE. The provisions of Section 11 of the Loan Agreement shall be deemed incorporated herein by reference, *mutatis mutandis*.

8. REAFFIRMATION. By executing and delivering a counterpart hereof, (i) Borrower hereby agrees that all Advances incurred by Borrower shall be secured by the Collateral pursuant to the applicable Loan Documents in accordance with the terms and provisions thereof and (ii) Borrower hereby (A) agrees that, notwithstanding the effectiveness of this Amendment, after giving effect to this Amendment, the Loan Documents continue to be in full force and effect, (B) agrees that all of the Liens and security interests created and arising under the Loan Documents remain in full force and effect on a continuous basis, and the perfected status and priority of each such Lien and security interest continues in full force and effect on a continuous basis, unimpaired, uninterrupted and undischarged, as collateral security for its obligations, liabilities and indebtedness under the Loan Agreement to the extent provided in, and subject to the limitations and qualifications set forth in, such Loan Documents (as amended by this Amendment) and (C) affirms and confirms all of its obligations, liabilities and indebtedness under the Loan Agreement and each other Loan Document, in each case after giving effect to this Amendment, including the pledge of and/or grant of a security interest in its assets as Collateral pursuant to the Loan Documents to secure such Secured Obligations, all as provided in the Loan Documents, and acknowledges and agrees that such obligations, liabilities, guarantee, pledge and grant continue in full force and effect in respect of, and to secure, such Secured Obligations under the Loan Agreement and the other Loan Documents, in each case, to the extent provided in, and subject to the limitations and qualifications set forth in, such Loan Documents (as amended by this Amendment).

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have duly authorized and caused this Amendment to be executed as of the date first written above.

BORROWERS:

ORCHESTRA BIOMED HOLDINGS, INC.

Signature: /s/ Andrew Taylor

Print Name: Andrew Taylor

Title: CFO

ORCHESTRA BIOMED, INC.

Signature: /s/ Andrew Taylor

Print Name: Andrew Taylor

Title: CFO

CALIBER THERAPEUTICS, LLC

Signature: /s/ Andrew Taylor

Print Name: Andrew Taylor

Title: Chief Financial Officer

BACKBEAT MEDICAL, LLC

Signature: /s/ Andrew Taylor

Print Name: Andrew Taylor

Title: Chief Financial Officer

FREEHOLD SURGICAL, LLC

Signature: /s/ Andrew Taylor

Print Name: Andrew Taylor

Title: Chief Financial Officer

MOTUS GI, LLC

Signature: /s/ Andrew Taylor

Print Name: Andrew Taylor

Title: Chief Financial Officer

MOTUS GI MEDICAL TECHNOLOGIES LTD.

Signature: /s/ Andrew Taylor

Print Name: Andrew Taylor

Title: Chief Financial Officer

Accepted in San Mateo, California:

AGENT:

HERCULES CAPITAL, INC.

Signature: /s/ Jennifer Choe

Print Name: Jennifer Choe

Title: Deputy General Counsel,
Portfolio Transactions

LENDERS:

HERCULES CAPITAL, INC.

Signature: /s/ Jennifer Choe

Print Name: Jennifer Choe

Title: Deputy General Counsel,
Portfolio Transactions

HERCULES CAPITAL IV, L.P.

By: Hercules Technology SBIC Management,
LLC, its General Partner

By: Hercules Capital, Inc., its Manager

Signature: /s/ Jennifer Choe

Print Name: Jennifer Choe

Title: Deputy General Counsel,
Portfolio Transactions

HERCULES SBIC V, L.P.

By: Hercules Technology SBIC Management,
LLC, its General Partner

By: Hercules Capital, Inc., its Manager

Signature: /s/ Jennifer Choe

Print Name: Jennifer Choe

Title: Deputy General Counsel,
Portfolio Transactions

Annex A

EXHIBIT E

COMPLIANCE CERTIFICATE

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David P. Hochman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Orchestra BioMed Holdings, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) 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.

Dated: May 12, 2026

/s/ David P. Hochman
David P. Hochman
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew Taylor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Orchestra BioMed Holdings, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) 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.

Dated: May 12, 2026

/s/ Andrew Taylor
Andrew Taylor
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Orchestra BioMed Holdings, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David P. Hochman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 12, 2026

/s/ David P. Hochman
David P. Hochman
Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Orchestra BioMed Holdings, Inc. and will be retained by Orchestra BioMed Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Orchestra BioMed Holdings, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Andrew Taylor, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 12, 2026

/s/ Andrew Taylor
Andrew Taylor
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Orchestra BioMed Holdings, Inc. and will be retained by Orchestra BioMed Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.