

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 January 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: 001-42549

Kestra Medical Technologies, Ltd.

(Exact Name of Registrant as Specified in its Charter)

Bermuda
(State or other jurisdiction of
incorporation or organization)
3933 Lake Washington Blvd NE, Suite 200
Kirkland, WA
(Address of principal executive offices)

Not Applicable
(I.R.S. Employer
Identification No.)

98033
(Zip Code)

Registrant's telephone number, including area code: (425) 279-8002

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 Shares, par value \$1.00 per share	KMTS	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 March 12, 2026, the registrant had 58,373,353 Common Shares, par value \$1.00 per share, outstanding.

Table of Contents

	<u>Page</u>
PART I. FINANCIAL INFORMATION	4
Item 1. Condensed Consolidated Balance Sheets	4
Condensed Consolidated Statements of Operations and Comprehensive Loss	5
Condensed Consolidated Statements of Changes in Redeemable Preferred Stock and Shareholders' Equity (Deficit)	6
Condensed Consolidated Statements of Cash Flows	7
Notes to Condensed Consolidated Financial Statements	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	22
Item 3. Quantitative and Qualitative Disclosures About Market Risk	32
Item 4. Controls and Procedures	33
PART II. OTHER INFORMATION	35
Item 1. Legal Proceedings	35
Item 1A. Risk Factors	35
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	35
Item 3. Defaults Upon Senior Securities	35
Item 4. Mine Safety Disclosures	35
Item 5. Other Information	35
Item 6. Exhibits	36
Signatures	37

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (the “Quarterly Report”) contains “forward-looking” statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to our management. The forward-looking statements are contained principally in the section captioned “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, technology developments, financing and investment plans, dividend policy, competitive position, industry and regulatory environment, potential growth opportunities and the effects of competition. Forward looking statements include statements that are not historical facts and can be identified by terms such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “objective,” “ongoing,” “plan,” “potential,” “predict,” “project,” “should,” “will” and “would,” or the negative of these terms, or other comparable terminology intended to identify statements about the future. Forward-looking statements involve known and unknown risks, uncertainties and other factors that 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.

Important factors that could cause actual results, performance or achievements to differ materially from our expectations are described in Part II, Item 1A, “Risk Factors” and elsewhere in this Quarterly Report, and include, but are not limited to, the following:

- our ability to continue to expand the commercialization of our ASSURE WCD, including associated products and services as part of our Cardiac Recovery System platform, or to commercialize any future product candidates and begin generating revenue;
- our ability to maintain regulatory approvals for our ASSURE WCD and to obtain new regulatory approvals necessary to distribute our ASSURE WCD in new markets or to distribute additional products we develop in the future;
- the rate and degree of market acceptance of our ASSURE WCD or any future product candidates that receive the necessary marketing and other regulatory approvals;
- the availability of reimbursement for our products;
- our ability to scale the manufacturing of our ASSURE WCD, obtain sufficient and timely supplies of components necessary to manufacture our ASSURE WCD and effectively manage inventory and distribution;
- our ability to hire and retain qualified personnel, including senior management and sales professionals;
- estimates of our total addressable market and near-term achievable market for our products;
- the timing or likelihood of regulatory filings and approvals or clearances;
- our growth plans, including our plans to enter into new markets;
- our ability to establish and maintain intellectual property protection for our products or defend ourselves against claims of infringement;
- the progress, timing, costs and results of our clinical trials;
- changes and developments relating to our regulatory landscape;
- our financial performance and changes in market trends;
- the increased expenses associated with being a public company; and
- changes and developments relating to our competitors and our industry.

We caution you that the foregoing list does not contain all of the forward-looking statements made in this Quarterly Report. More information on factors that could cause our actual results to differ from those expressed in forward-looking statements is included from time to time in our reports filed with the Securities and Exchange Commission, (the “SEC”) including in our Annual Report on Form 10-K for the year ended April 30, 2025 (the “Annual Report”), particularly under Part I, Item 1A, “Risk Factors.”

Given these uncertainties, we cannot assure you that the forward-looking statements in this Quarterly Report will prove to be accurate. Also, forward-looking statements represent our management’s beliefs and assumptions only as of the date of this Quarterly Report and should not be relied upon as representing our expectations or beliefs as of any date subsequent to the time they are made. Except as required by law, the Company does not undertake to and specifically declines any obligation to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

Part I – Financial Information
Item 1. Financial Statements.

KESTRA MEDICAL TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)
(unaudited)

	January 31, 2026	April 30, 2025
Assets		
Current assets		
Cash and cash equivalents	\$ 291,321	\$ 237,595
Accounts receivable, net	12,709	8,081
Disposable medical equipment supplies	6,829	6,572
Prepaid expenses and other current assets	3,204	3,080
Total current assets	314,063	255,328
Right-of-use assets	3,419	2,078
Deposits	1,847	2,021
Restricted cash	334	334
Property and equipment, net	53,799	34,830
Other long-term assets	5,880	1,153
Total assets	<u>\$ 379,342</u>	<u>\$ 295,744</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 24,023	\$ 23,961
Accrued liabilities	18,898	13,829
Operating lease liabilities, current portion	10	187
Total current liabilities	42,931	37,977
Operating lease liabilities, net of current portion	4,276	3,026
Warrant liabilities	1,745	8,097
Other long-term liabilities	140	140
Long-term debt, net	42,261	41,098
Total liabilities	91,353	90,338
Commitments and contingencies (Note 14)		
Shareholders' equity		
Common Shares, \$1.00 par value; 100,000,000 shares authorized as of January 31, 2026 and April 30, 2025; 58,349,053 issued and outstanding as of January 31, 2026 and 51,348,656 shares issued and outstanding as of April 30, 2025	58,349	51,349
Additional paid-in capital	842,666	674,306
Accumulated deficit	(613,026)	(520,249)
Total shareholders' equity	287,989	205,406
Total liabilities and shareholders' equity	<u>\$ 379,342</u>	<u>\$ 295,744</u>

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

KESTRA MEDICAL TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Revenue	\$ 24,552	\$ 15,090	\$ 66,488	\$ 42,582
Cost of revenue	11,646	8,543	33,307	26,005
Gross profit	12,906	6,547	33,181	16,577
Operating expenses:				
Research and development	4,972	3,353	13,850	10,266
Selling, general and administrative	42,699	23,795	114,728	64,477
Total operating expenses	47,671	27,148	128,578	74,743
Loss from operations	(34,765)	(20,601)	(95,397)	(58,166)
Other expense (income):				
Interest expense	1,888	1,783	5,702	5,974
Interest income	(2,163)	(628)	(6,125)	(1,543)
Other expense (income)	(359)	(15)	(2,299)	73
Net loss before provision for income taxes	(34,131)	(21,741)	(92,675)	(62,670)
Provision for income taxes	35	18	102	33
Net loss and comprehensive loss	(34,166)	(21,759)	(92,777)	(62,703)
Net loss attributable to non-controlling interest	—	(250)	—	(942)
Net loss and comprehensive loss attributable to Kestra Medical Technologies, Ltd.	(34,166)	(21,509)	(92,777)	(61,761)
Less: Undeclared preferred stock dividends	—	3,324	—	9,030
Net loss attributable to common shareholders, basic and diluted	\$ (34,166)	\$ (24,833)	\$ (92,777)	\$ (70,791)
Net loss per share attributable to common shareholders, basic and diluted	\$ (0.61)	\$ (1.25)	\$ (1.76)	\$ (3.56)
Weighted-average shares of common shares outstanding, basic and diluted ¹	55,848,413	19,885,382	52,843,097	19,885,382

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

¹Weighted-average shares of common stock outstanding, basic and diluted, has been adjusted on a retrospective basis. Refer to Note 16 “*Net Loss Per Share Attributable to Common Shareholders*” for additional disclosure.

KESTRA MEDICAL TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN REDEEMABLE PREFERRED STOCK AND
SHAREHOLDERS' EQUITY (DEFICIT)
(in thousands, except share and per share amounts)
(unaudited)

	Redeemable Preferred Stock		Common Shares		Additional Paid-In	Accumulated	Non-controlling	Total Shareholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Interests	Equity (Deficit)
Balances at April 30, 2024²	177,110	\$ 177,110	19,909,281	\$ 19,909	\$ 177,149	\$ (406,435)	\$ —	\$ (209,377)
Share-based compensation expense	—	—	—	—	377	—	—	377
Issuance of redeemable preferred stock	103,400	103,400	—	—	—	—	—	—
Issuance of stock to non-controlling interest	—	—	—	—	—	—	17,100	17,100
Deemed dividend for payments to third party on behalf of shareholder	—	—	—	—	(4,248)	—	—	(4,248)
Net loss and comprehensive loss	—	—	—	—	—	(19,884)	(439)	(20,323)
Balances at July 31, 2024	280,510	280,510	19,909,281	19,909	173,278	(426,319)	16,661	(216,471)
Share-based compensation expense	—	—	—	—	1,122	—	—	1,122
Deemed dividend for payments to third party on behalf of shareholder	—	—	—	—	(575)	—	—	(575)
Net loss and comprehensive loss	—	—	—	—	—	(20,368)	(253)	(20,621)
Balances at October 31, 2024	280,510	280,510	19,909,281	19,909	173,825	(446,687)	16,408	(236,545)
Share-based compensation expense	—	—	—	—	\$ 459	—	—	459
Deemed dividend for payments to third party on behalf of shareholder	—	—	—	—	(50)	—	—	(50)
Net loss and comprehensive loss	—	—	—	—	—	\$ (21,509)	\$ (250)	(21,759)
Balances at January 31, 2025	280,510	\$ 280,510	19,909,281	\$ 19,909	\$ 174,234	\$ (468,196)	\$ 16,158	\$ (257,895)

	Common Shares		Additional Paid-In	Accumulated	Total Shareholders'
	Shares	Amount	Capital	Deficit	Equity (Deficit)
Balances at April 30, 2025	51,348,656	\$ 51,349	\$ 674,306	\$ (520,249)	\$ 205,406
Share-based compensation expense	—	—	4,579	—	4,579
Net loss and comprehensive loss	—	—	—	(25,826)	(25,826)
Balances at July 31, 2025	51,348,656	51,349	678,885	(546,075)	184,159
Share-based compensation expense	—	—	8,653	—	8,653
Issuance of common shares - exercise of warrant	100,397	100	3,954	—	4,054
Net loss and comprehensive loss	—	—	—	(32,785)	(32,785)
Balances at October 31, 2025	51,449,053	51,449	691,492	(578,860)	164,081
Share-based compensation expense	—	—	10,108	—	10,108
Deemed dividend for payments to third party on behalf of shareholder	—	—	(320)	—	(320)
Issuance of common shares - equity offering, net of underwriter discounts and issuance costs of \$10,414	6,900,000	6,900	141,386	—	148,286
Net loss and comprehensive loss	—	—	—	(34,166)	(34,166)
Balance at January 31, 2026	58,349,053	\$ 58,349	\$ 842,666	\$ (613,026)	\$ 287,989

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

²The number and amount of shares of common shares of Intermediate Holdings at a par value of \$0.01 prior to the IPO has been retrospectively recast based on the number of Common Shares at a par value of \$1.00 of Kestra Medical Technologies, Ltd. into which they were exchanged in connection with the Organizational Transactions prior to the IPO. Refer to Note 1 "The Company" for additional disclosure.

KESTRA MEDICAL TECHNOLOGIES, LTD. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended January 31,	
	2026	2025
Cash flows from operating activities		
Net loss	\$ (92,777)	\$ (62,703)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,384	6,132
Loss on disposal of property and equipment	727	882
Reserve for lost equipment and supplies	1,600	647
Provision for uncollectible accounts receivable	1,515	1,883
Interest paid-in-kind	—	703
Amortization of debt discounts and issuance costs	1,406	1,031
Share-based compensation expense	23,340	1,958
Non-cash lease expense	273	330
Change in fair value of warrant liabilities	(2,297)	—
Changes in operating assets and liabilities:		
Disposable medical equipment supplies	(466)	(2,823)
Prepaid expenses and other current assets	421	(431)
Accounts receivable	(6,143)	(7,814)
Accounts payable	(647)	3,665
Accrued liabilities	4,192	2,730
Operating lease liabilities	(541)	228
Other long-term assets	30	30
Net cash used in operating activities	<u>(62,983)</u>	<u>(53,552)</u>
Cash flows from investing activities		
Purchases of property and equipment	(25,228)	(15,547)
Deposits for medical rental equipment	(527)	(627)
Refund of deposits for medical rental equipment	184	270
Investment in equity security	(5,000)	—
Net cash used in investing activities	<u>(30,571)</u>	<u>(15,904)</u>
Cash flows from financing activities		
Proceeds from issuance of common stock	149,291	—
Payment of equity issuance costs	(1,986)	(3,293)
Deemed dividend for payments to third party on behalf of shareholder	(25)	(1,648)
Proceeds from issuance of redeemable preferred stock	—	103,400
Proceeds from issuance of stock to non-controlling interest	—	17,100
Net cash provided by financing activities	<u>147,280</u>	<u>115,559</u>
Net increase in cash, cash equivalents and restricted cash	53,726	46,103
Cash, cash equivalents and restricted cash		
Beginning of period	237,929	8,583
End of period	<u>\$ 291,655</u>	<u>\$ 54,686</u>
Reconciliation of cash, cash equivalents and restricted cash reported in the condensed consolidated balance sheets		
Cash and cash equivalents	\$ 291,321	\$ 54,352
Restricted cash	334	334
Cash, cash equivalents and restricted cash	<u>\$ 291,655</u>	<u>\$ 54,686</u>
Non-cash investing and financing activities:		
Purchases of property and equipment in accrued liabilities and accounts payable	\$ 9,272	\$ 8,621
Exercise of liability classified warrant	4,055	—
Remeasurement of lease liability	1,585	—
Equity offering costs incurred but not yet paid	894	2,220
Deemed dividend for payments to third party on behalf of shareholder included in accrued liabilities and accounts payable	295	—
Supplemental disclosure of cash flow information		
Income taxes paid (refunds received)	\$ 7	\$ 81
Interest paid	2,846	3,629

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

KESTRA MEDICAL TECHNOLOGIES, LTD. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(in thousands, except share, per share data and percentages)

1. The Company

Kestra Medical Technologies, Ltd. is a commercial stage medical device company, which principally generates revenue through leasing the ASSURE© System, which consists of a Wearable Cardioverter Defibrillator (“WCD”), to patients.

Kestra Medical Technologies, Ltd. was formed as a limited company in Bermuda on May 20, 2021 as a wholly owned subsidiary of West Affum Holdings, L.P. (“West Affum LP”), a company in the Cayman Islands. Kestra Medical Technologies, Ltd. was formed for the purpose of completing a public offering and related transactions to carry on the business of West Affum Intermediate Holdings Corp. and its subsidiaries.

West Affum Intermediate Holdings Corp., a Cayman Islands exempted company (“Intermediate Holdings”), was incorporated on August 6, 2020, in order to carry on the business of West Affum Holdings Corp. (“WAH Corp.”) and its consolidated subsidiaries. Except as otherwise indicated or the context requires, references to the “Company” are to Intermediate Holdings for transactions occurring in periods prior to the consummation of the initial public offering of Kestra Medical Technologies, Ltd., and references to the “Company” are to Kestra Medical Technologies, Ltd. and its consolidated subsidiaries for transactions occurring in periods following the consummation of the initial public offering.

The Company and its consolidated subsidiaries own certain intellectual property related to the development of personal WCD approved by the U.S. Food and Drug Administration (“FDA”) in July of 2021.

Initial Public Offering

On March 7, 2025, Kestra Medical Technologies, Ltd. completed an initial public offering of 11,882,352 common shares, par value \$1.00 per share (“Common Shares”) at an offering price to the public of \$17.00 per Common Share (“IPO”). On March 14, 2025, the underwriters purchased an additional 1,782,352 Common Shares at an offering price to the public of \$17.00 per Common Share.

In connection with the IPO, organizational transactions were effected whereby Kestra Medical Technologies, Ltd. delivered 37,683,952 Common Shares to West Affum LP and its unitholders, including 19,885,382 Common Shares delivered to West Affum LP in exchange for West Affum LP’s contribution of its 105,808 shares of common stock, in Intermediate Holdings to Kestra Medical Technologies, Ltd., and the remainder of which Common Shares, including 32,485 Common Shares of Kestra Medical Technologies, Ltd. that are subject to vesting conditions, were delivered to holders of West Affum LP’s class A common units (the “Class A Common Units”) and equity incentive units (the “Incentive Units”), including a third-party investor in West Affum Holdings Designated Activity Company, a subsidiary of Intermediate Holdings (collectively, the “Organizational Transactions”).

Following the Organizational Transactions, pre-existing interests in Intermediate Holdings, as well as non-controlling interests of its subsidiaries, were exchanged into Common Shares. Kestra Medical Technologies, Ltd. now directly owns 100% of Intermediate Holdings and indirectly owns 100% of each of Intermediate Holdings’ direct and indirect subsidiaries. Effective on December 31, 2025, West Affum LP was dissolved and all of the Common Shares it had received in the IPO were distributed on a pro rata basis to its unitholders.

The IPO, together with the Organizational Transactions, represent a business combination between entities under common control under the principles of ASC Topic 805, *Business Combinations*. As such, the exchange of Intermediate Holdings common stock into Common Shares of Kestra Medical Technologies, Ltd. have been reflected on a retrospective basis. Other transactions that closed contemporaneously with the Organizational Transactions, including conversions of preferred stock, non-controlling interests, and equity awards were accounted for prospectively beginning on the date such transactions occurred, and were not given retrospective effect.

Liquidity

As of January 31, 2026, the Company’s principal sources of liquidity consisted of \$291,321 of cash and cash equivalents.

The Company has incurred negative operating cash flows and significant losses from operations since its inception. For the nine months ended January 31, 2026 and 2025, the Company incurred net losses of \$92,777 and \$62,703, respectively. Cash used in operating activities was \$62,983 and \$53,552 for the nine months ended January 31, 2026 and 2025, respectively. As of January 31, 2026, the Company had an accumulated deficit of \$613,026.

In March 2025, the Company raised \$215,789 in proceeds in the IPO after deducting underwriting discounts and commissions and before deducting IPO offering costs of \$5,398.

On December 4, 2025, the Company completed a public underwritten offering and issued an aggregate of 6,900,000 Common Shares at a price of \$23.00 per share, resulting in net proceeds to the Company of \$149,291, after deducting underwriting discounts but before expenses paid by the Company. The aggregate number of Common Shares offered in the public offering included 900,000 Common Shares issued pursuant to the exercise in full of the underwriters' option to purchase additional shares.

Based on the Company's current operating plan, the Company believes that its existing cash and cash equivalents will be sufficient to fund the Company's planned operating expenses and capital expenditure requirements for at least the next 12 months from the date of issuance of these financial statements.

However, the Company may experience lower than expected cash generated from operating activities or greater than expected capital expenditures, cost of revenue or operating expenses and may require additional funding to execute on its growth plans, which may include funding raised through future equity and debt financings. Management cannot predict with certainty that adequate funding will be available on acceptable terms or at all. If the Company cannot obtain sufficient funds on acceptable terms when needed, the Company may experience a material and adverse effect on its business, financial condition, results of operations and prospects.

2. Significant Accounting Policies

Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the SEC and generally accepted accounting principles in the United States of America ("US GAAP") and include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Company's reporting currency is the U.S. dollar.

The unaudited interim condensed consolidated balance sheet as of April 30, 2025, included herein, was derived from the audited financial statements as of that date. Certain information and disclosures normally included in the financial statements prepared in accordance with US GAAP have been condensed or omitted pursuant to such regulations. Accordingly, these unaudited interim condensed consolidated financial statements and accompanying footnotes should be read in conjunction with the Company's financial statements as of and for the years ended April 30, 2025 and 2024. The results for the interim periods are not necessarily indicative of results for the full year.

In the opinion of management, all adjustments, of a normal recurring nature, considered necessary for a fair statement have been included in the unaudited interim condensed consolidated financial statements. The Company believes that the disclosures provided herein are adequate to prevent the information presented from being misleading.

Certain prior period amounts in the unaudited interim condensed consolidated statements of operations and comprehensive loss and cash flows have been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of the unaudited interim condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the unaudited interim condensed consolidated financial statements, and the reported amounts of expenses during the reporting period. Estimates are required as part of determining the collectability of lease payments for revenue recognition, estimated useful lives of property and equipment, losses for unreturned property and equipment, share-based compensation expense, fair value of warrants and valuation allowance for deferred tax assets.

The Company bases its estimates on historical experience and other market-specific or relevant assumptions that it believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Accounts Receivable

Accounts receivable and net revenues are based on contractually agreed-upon rates for leases for the ASSURE© System, reduced by contractual adjustments. Inherent in these estimates is the risk that they will have to be revised or updated as additional information becomes available. The complexity of third-party billing arrangements and laws and regulations governing Medicare may result in adjustments to amounts originally recorded.

The Company performs a periodic analysis to review the valuation of accounts receivable and collectability of outstanding balances. These estimates are determined utilizing historical realization data under a portfolio approach which is then assessed by management to evaluate whether adjustments should be made based on accounts receivable aging trends, other operating trends, and relevant business conditions such as governmental and managed care payor claims processing procedures.

The Company records a reserve for estimated probable losses as part of net revenue adjustments in reporting revenue at an expected collectable amount based on the total portfolio of receivables for which collectability has been deemed probable. The accounts receivable is presented on the unaudited interim condensed consolidated balance sheets net of the adjustments.

Receivables are considered past due when not collected by established due dates. Specific patient balances are written off after collection efforts have been followed and the account has been determined to be uncollectible. Changes to reserve estimate impacts are recorded as an adjustment to net revenue in the period during which changes in circumstances support a change to the estimate. The estimates of the allowance for uncollectible accounts receivable were \$4,708 and \$3,193 as of January 31, 2026 and April 30, 2025, respectively.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair value. Restricted cash consists of amounts related to the Company’s office lease agreement and credit card collateralization. In lieu of a cash security deposit, the landlord required an irrevocable standby letter of credit upon execution of the lease be maintained throughout the term of the lease agreement in the amount of \$109 as of January 31, 2026 and April 30, 2025. The Company also had restricted cash of \$225 for credit card collateralization as of January 31, 2026 and April 30, 2025, included in Other long-term assets on the unaudited interim condensed consolidated balance sheets.

Investments

The Company invests in equity securities that do not have readily determinable fair values. Equity investments that do not have readily determinable fair values are measured using the measurement alternative at cost minus impairment, if any. These investments are included in Other long-term assets on the unaudited interim condensed consolidated balance sheets.

Property and Equipment

Property and equipment consist of medical rental equipment, test equipment, computer software and equipment, and leasehold improvements. Medical rental equipment used in the delivery of the ASSURE® WCD system consists of a therapy cable, batteries, a battery charger, assistant and WCD monitor, all of which have different useful lives. Upon completion of use by a patient, medical rental equipment is returned to the Company’s third-party manufacturing and supply partner and inspected, tested and recertified for use by another patient. When not in use by patients, medical rental equipment resides with the Company’s third-party manufacturing and supply partner, at third-party warehouses or with the Company’s territory managers. Physical counts of components are conducted at least annually at the third-party manufacturing and supply partner locations and at least quarterly at other locations.

Property and equipment are stated at cost less accumulated depreciation. Depreciation of medical rental equipment commences at the date when it becomes available for service, which represents the date that the asset is ready for intended use by the patients and continues through the estimated useful life of the asset. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs, including planned major maintenance activities, are expensed as incurred.

Property and equipment are depreciated using the straight-line method based on the following estimated useful lives:

Asset Classification	January 31, 2026	April 30, 2025
	Estimated Useful Lives	Estimated Useful Lives
Computer software and equipment	3 years	3 years
Test equipment	5 years	5 years
Leasehold improvements	Lesser of useful life or lease-term	Lesser of useful life or lease-term
Medical rental equipment	2 - 15 years	2 - 8 years

During the three months ended January 31, 2026, the estimated useful life of the medical rental equipment asset class was changed prospectively from 2 - 8 years to 2 - 15 years. This change was the result of actual field experience, established preventive maintenance programs, and an extensive engineering study completed during the period relating to the WCD monitor and battery

charger. As a result, the useful life of the battery charger was changed from five years to fifteen years and the useful life of the WCD monitor was changed from seven years to fifteen years. The impact of the change was a reduction of depreciation expense, which is included within cost of revenue, by \$705 in the three months ended January 31, 2026, as compared to the useful life of medical rental equipment had it remained at 2 - 8 years. The net loss per share impact of the change is not material.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the consolidated statements of operations and comprehensive loss for the period.

Revenue

The Company generates revenue from the leases of ASSURE© System, which consists of a WCD combined with a proprietary digital healthcare platform, to at-risk patients for a fixed amount on a month-to-month basis. The lease payments generally consist of the contracted amounts based on reimbursement arrangements with third-party payors including Medicare, Medicaid and private commercial payors, and/or certain patient co-payments. The patient has the right to cancel the lease at any time during the rental period.

The equipment leases are classified as operating leases at lease commencement, and the Company recognizes the revenue associated with ASSURE© rentals in accordance with Accounting Standards Codification Topic 842, *Leases* ("ASC Topic 842"). The Company elected the practical expedient provided under ASC Topic 842 to combine the lease of ASSURE© System with the non-lease components, which includes the digital healthcare platform. The ASSURE© System is expected to be the predominant component and, as a result, the Company accounts for the combined revenue components under ASC Topic 842. Revenue is recognized on a straight-line basis over the contractual non-cancellable lease term, which is one month, when collectability of the lease payments is deemed to be probable. If collectability of the lease payments is not deemed to be probable, the lease income is limited to the lesser of the income that would have been recognized if collectability was probable or the lease payments collected. Collectability of all lease payments, which includes amounts reimbursed by third-party payors and/or amounts covered by the patient, is assessed for each contract upon lease commencement and is subject to subsequent reassessment throughout the lease term, as necessary.

Due to the nature of the industry and the reimbursement environment in which the Company operates, the Company periodically evaluates the need to record a general reserve under ASC 450, *Contingencies*, for a portfolio of operating lease receivables that are probable of collection. Inherent in the reserve estimates is the risk that they will have to be revised or updated as additional information becomes available. Specifically, the complexity of many third-party billing arrangements and the uncertainty of reimbursement amounts for certain services from certain payors may result in adjustments to amounts originally recorded. Such adjustments are expected to be identified and recorded at the point of cash application or claim denial.

Segment Information

The Company has a single operating and reportable segment. The Company has determined that its Chief Executive Officer is its chief operating decision maker. The Company's Chief Executive Officer reviews financial information presented on a consolidated basis and in a consistent manner with that is included in the unaudited interim condensed consolidated statements of operations and comprehensive loss for purposes of assessing performance and making decisions on how to allocate resources. As the Company operates as one operating segment, all required segment financial information, such as revenues and significant operating expenses, is found in the accompanying unaudited interim condensed consolidated financial statements. For the periods presented, all of the Company's long-lived assets were located in the United States, and all revenues from leasing of ASSURE© System devices to patients were earned in the United States. The accounting policies for segment reporting are the same as for the Company as a whole.

The chief operating decision maker utilizes the Company's financial information such as net loss and comprehensive loss derived from revenues and operating expenses included in the Company forecast, performance metrics, and budget versus actual analyses for purposes of evaluating financial performance and how to best allocate resources when developing and reviewing the annual budget to achieve the Company's long-term objectives. Significant expenses within loss from operations include cost of revenue, research and development expenses, and selling, general and administrative expenses, which are each separately presented on the Company's unaudited interim condensed consolidated statements of operations and comprehensive loss.

Accounting Pronouncements Not Yet Adopted

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which enhances transparency and decision usefulness of income tax disclosures, primarily related to the income tax rate reconciliation and income taxes paid information. The guidance is effective for public business entities for annual reporting periods beginning after December 15, 2024. The Company does not anticipate a material impact to the required financial statement disclosure as a result of this ASU.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)* (“ASU 2024-03”), requiring disclosure in the notes to the financial statements for specified information about certain costs and expenses. ASU 2024-03 is effective for annual reporting periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027; however early adoption is permitted and can be applied either prospectively or retrospectively. The Company is evaluating the impact that this ASU will have on its financial statement disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets* (“ASU 2025-05”), requiring election of a practical expedient when estimating expected credit losses for current accounts receivable and current contract assets. ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted in both interim and annual reporting periods. The Company is evaluating the impact that this ASU will have on its financial statements.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software* (“ASU 2025-06”), modernizing the accounting framework for internal-use software by eliminating the prior stage-based model and introducing a principles-based capitalization threshold. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, and interim periods within those annual reporting periods, with early adoption permitted. The Company is evaluating the impact that this ASU will have on its financial statements and related disclosures.

The Company has reviewed other recent accounting pronouncements and concluded that they are either not applicable to the business, or that no material effect is expected on the unaudited interim condensed consolidated financial statements as a result of future adoption. No new accounting pronouncements were adopted during the nine months ended January 31, 2026.

3. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following at:

	January 31, 2026	April 30, 2025
Prepaid software fees	\$ 1,714	\$ 1,387
Other current assets	1,490	1,693
Prepaid expenses and other current assets	<u>\$ 3,204</u>	<u>\$ 3,080</u>

4. Property and Equipment

Property and equipment consisted of the following at:

	January 31, 2026	April 30, 2025
Medical rental equipment	\$ 76,251	\$ 52,670
Test equipment	3,414	3,115
Office equipment and furniture	1,501	1,446
Leasehold improvements	919	919
Work in progress	<u>1,189</u>	<u>635</u>
Total property and equipment	83,274	58,785
Less: accumulated depreciation	<u>(29,475)</u>	<u>(23,955)</u>
Property and equipment, net	<u>\$ 53,799</u>	<u>\$ 34,830</u>

The Company recorded \$1,984 and \$1,888 of depreciation expense for the three months ended January 31, 2026 and 2025, respectively; and depreciation expense of \$6,384 and \$6,132 for the nine months ended January 31, 2026 and 2025, respectively.

5. Leases

In June 2021, the Company amended its office lease that began on May 1, 2020 to expand the leased space, commencing on September 1, 2021. The amendment is subject to all terms and conditions of the original office lease agreement and were set to expire in April 2024. In October 2023, the Company amended the existing office lease to expire in April 2029. The Company has the option to renew for 3 or 5 years upon expiration of the extended term at prevailing market rates.

The October 2023 office lease amendment provided rent abatement from November 1, 2023 through April 30, 2024. The same amendment further provided a tenant improvement allowance of \$943 to be used as rent abatement or tenant improvement reimbursement by June 2026, and \$786 specifically for tenant improvement reimbursement. In August 2024, the Company amended its office lease to allow for two additional months of rent abatement and for the amount to be used specifically for tenant improvement reimbursement to be used for rent abatement or tenant improvements.

In February 2025, the Company further amended its office lease to expand the leased space, commencing on April 1, 2025.

In May 2025, the Company entered into a new lease agreement for an office in Texas, commencing on May 15, 2025. The lease is set to expire on May 31, 2026.

In December 2025, the Company amended its office leases to extend the lease term through April 2031. The extended lease term resulted in a re-measurement resulting in the increase of the lease liability and right of use asset by \$1,585.

Operating lease expense was as follows for the periods below:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Operating lease expense	\$ 278	\$ 192	\$ 720	\$ 559
Variable lease expense	165	155	504	461
Total operating lease expense	<u>\$ 443</u>	<u>\$ 347</u>	<u>\$ 1,224</u>	<u>\$ 1,020</u>

Operating lease expense includes amortization and interest expense associated with operating lease right-of-use assets and liabilities. Variable lease expense includes payments related to taxes, insurance and maintenance costs as required by the lease.

Cash paid for operating leases was \$1,525 and \$506 for the nine months ended January 31, 2026 and 2025, respectively.

The weighted average remaining lease term for the Company's operating leases was 63 months as of January 31, 2026, and 48 months as of April 30, 2025. The weighted average discount rate used to calculate the net present value of the Company's operating lease liabilities was 12.3% as of January 31, 2026 and 15.2% as of April 30, 2025.

6. Accrued Liabilities

Accrued liabilities consisted of the following at:

	January 31, 2026	April 30, 2025
Bonuses and commissions	\$ 7,477	\$ 6,368
Other accrued liabilities	6,099	3,547
Paid time off	2,761	2,305
Professional services	1,461	1,141
Payroll and payroll taxes	1,100	468
Accrued liabilities	<u>\$ 18,898</u>	<u>\$ 13,829</u>

7. Long-Term Debt

On September 29, 2023, the Company entered into a Credit Agreement with a lender that provided a Senior Secured Delayed Draw Term Loan Facility (as amended, the "Term Loan 2024") in an aggregate principal amount of up to \$60.0 million and matures on September 29, 2028. Borrowings are made available in up to three tranches, the first of which is available upon closing of the agreement, which included committed equity funding of at least \$75 million, and two follow on tranches of \$7.5 million which became available before November 1, 2024, and February 1, 2025, dependent on upon achievement of revenue milestones of trailing twelve-month revenues of \$50.0 million and \$70.0 million, respectively. The Term Loan 2024 bears interest equal to the sum of Term Secured Overnight Financing Rate plus 7.25% for each interest period which is measured monthly and is payable on the last day of each fiscal quarter. Through March 31, 2025, the Company had the ability to pay-in-kind up to 2% of the payable interest. The Term Loan 2024 requires a minimum level of cash of \$3.0 million and certain revenue thresholds based upon trailing twelve-month revenue results. The revenue covenant began to be measured on April 30, 2024.

On September 29, 2023, the Company drew an initial \$45.0 million. In connection with the first draw, the Company incurred a 1% facility fee of the total available loan amount of \$60.0 million upon the draw of the first tranche of \$600 and legal fees of \$1,753 for both the Company and the lender. The Company recognized the facility fee and legal fees as a discount of \$1,765 to the Term Loan 2024 for the initial draw on the loan, and \$588 as an Other long-term asset, for the remainder available to draw. Each of these will be amortized as interest expense over the term of the loan on a straight-line basis.

As of October 31, 2024, the Company determined that the revenue milestone related to the second tranche was not met and the third tranche was not probable of being achieved. As a result, the Company expensed the asset related to debt issuance costs and facility fees in the amount of \$462.

In conjunction with the draw of the first tranche, West Affum LP issued a warrant to the lender to purchase up to 256,410 shares of West Affum LP's common units at an exercise price of \$17.55 per share. The fair value of the warrant was \$1,632 and was recognized as a debt discount and as a capital contribution, and the debt discount is amortized over the term of the loan to interest expense.

On February 25, 2025, the Company amended the Term Loan 2024 facility to adjust the revenue milestones applicable to the debt covenants therein and amend the ability to draw additional loans under the third tranche to allow for the ability to draw an additional \$15.0 million through July 31, 2026 upon the achievement of revenue of at least \$60.0 million for any twelve consecutive month period prior to the third tranche borrowing date. As of January 31, 2026, the Company was in compliance with all financial covenants.

In connection with the IPO, the warrant issued to the lender on September 29, 2023 was cancelled and exchanged for a new warrant (the "2033 Warrant") to purchase up to 325,847 Common Shares of Kestra Medical Technologies, Ltd. with an exercise price of \$11.54. The 2033 Warrant expires on September 29, 2033. The 2033 Warrant is classified as a liability and is recorded as a discount to the Term Loan 2024. Upon the funding of additional amounts under the third tranche of Term Loan 2024, the Company will issue additional warrants to the lender exercisable for Common Shares with a value equal to 10% of the amount funded.

On September 4, 2025, the lender fully exercised the 2033 Warrant to purchase Common Shares on a cashless basis, resulting in the issuance of 100,397 Common Shares and the cancellation of the 2033 Warrant.

The Company's long-term debt consisted of the following at:

	January 31, 2026	April 30, 2025
Term loan	\$ 45,000	\$ 45,000
Accumulated paid-in-kind interest applied to term loan balance	1,395	1,395
Less: unamortized debt issuance costs and debt discount	(4,134)	(5,297)
Total long-term debt	<u>\$ 42,261</u>	<u>\$ 41,098</u>

The Company recognized expenses related to the Term Loan 2024 as follows:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Cash interest expense	\$ 1,423	\$ 1,178	\$ 4,268	\$ 3,629
Amortization of the facility fee and legal fees	88	88	265	785
Amortization of the debt discount recognized in connection with the warrant	380	82	1,141	549
Interest expense paid-in-kind and applied to the Term Loan 2024 balance	—	236	—	400
Total expense recognized related to the Term Loan 2024	<u>\$ 1,891</u>	<u>\$ 1,584</u>	<u>\$ 5,674</u>	<u>\$ 5,363</u>

8. Fair Value Measurement

The following table presents the Company's fair value hierarchy for its classified assets and liabilities measured at fair value on a recurring basis as of January 31, 2026 and April 30, 2025:

	Level 1	Level 2	Level 3
January 31, 2026			
Assets			
Cash and cash equivalents	\$ 291,321	\$ —	\$ —
Restricted cash	334	—	—
Total assets	<u>\$ 291,655</u>	<u>\$ —</u>	<u>\$ —</u>
Liabilities			
Warrant liabilities	—	—	1,745
Total liabilities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,745</u>
April 30, 2025			
Assets			
Cash and cash equivalents	\$ 237,595	\$ —	\$ —
Restricted cash	334	—	—
Total assets	<u>\$ 237,929</u>	<u>\$ —</u>	<u>\$ —</u>
Liabilities			
Warrant liabilities	—	—	8,097
Total liabilities	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,097</u>

The Company classifies its money market funds, which are valued based on quoted market prices in active markets with no valuation adjustment, as cash and cash equivalents within the fair value hierarchy.

As of January 31, 2026 and April 30, 2025, the fair value of the long-term debt, net of discounts, approximated \$48,160 and \$47,330, respectively. The fair value of long-term debt was determined using quoted market prices, when available, or discounted cash flows based on various factors, including maturity schedules and current market rates. Long-term debt has been classified as Level 2 of the fair value hierarchy.

There were no transfers into or out of the Level 1, 2 or 3 fair value hierarchies during the nine months ended January 31, 2026 and 2025.

Warrant Liabilities

As of January 31, 2026, the Company recorded warrant liabilities from issuance of warrants to the lender of the Term Loan 2024 in connection with the amendment on February 25, 2025. The warrant liabilities are based on significant inputs not observable in the market, which represent a Level 3 measurement within the fair value hierarchy. The Company's valuation of the warrant liabilities utilized the Black-Scholes option-pricing model, which incorporates assumptions and estimates to value the warrants.

As of January 31, 2026, the quantitative elements associated with the Company's Level 3 inputs impacting the fair value measurement of the warrant liabilities included the fair value per share of the underlying Common Shares, the remaining contractual term of the warrant, risk-free interest rate, expected dividend yield and expected volatility of the price of the underlying Common Shares. The expected volatility is derived from comparable public companies as the Company did not have sufficient trading history for the Company's Common Shares. The change in fair value of warrant liability is included in other expense (income) within the unaudited interim condensed consolidated statements of operations and comprehensive loss.

The following table presents the significant inputs and assumptions used in the Black-Scholes option pricing model to determine the fair value of the warrant liabilities as of January 31, 2026 and April 30, 2025:

	January 31, 2026	April 30, 2025
Strike price	\$ 11.54	\$ 11.54
Expected term (in years)	7.67	8.42
Expected volatility	65%	65%
Risk free rate	4.01%	4.21%
Dividend yield	0%	0%

A reconciliation of the Level 3 liabilities is as follows:

Fair value of Level 3 liabilities as of April 30, 2025	\$ 8,097
Change in fair value of warrant liabilities	(2,297)
Exercise of warrant	(4,055)
Fair value of Level 3 liabilities as of January 31, 2026	<u>\$ 1,745</u>

9. Common Shares

The Company had 100,000,000 Common Shares authorized and 58,349,053 and 51,348,656 Common Shares issued and outstanding with a par value of \$1.00 per Common Share as of January 31, 2026 and April 30, 2025, respectively. Each Common Share is entitled to one vote.

10. Redeemable Preferred Stock

In May 2022, Intermediate Holdings amended and restated its Memorandum and Articles of Association, according to which Intermediate Holdings' existing share capital of 5,000,000 shares can upon the discretion of Intermediate Holdings be issued in the form of either common and/or preferred stock with a par value of \$0.01 each.

In May and July of 2024, Intermediate Holdings issued to West Affum LP a total of 103,400 shares of preferred stock for proceeds of \$103,400. Following the Organizational Transactions, pre-existing interests in Intermediate Holdings, as well as non-controlling interests of its subsidiaries, were exchanged into Common Shares. Kestra Medical Technologies, Ltd. now directly owns 100% of Intermediate Holdings and indirectly owns 100% of each of Intermediate Holdings' subsidiaries. There were no shares of preferred stock outstanding as of January 31, 2026 and April 30, 2025.

Preferred stock issued is considered non-voting and is subject to a preferred dividend accrued daily with a set payment "yield" capped at 4.7% for issuances prior to April 30, 2023 and at 6.0% for issuances on or after May 1, 2023. No dividends were declared for the nine months ended January 31, 2025. Cumulative unpaid dividends were factored into the value of the preferred stock when exchanged for Common Shares of Kestra Medical Technologies, Ltd. in connection with the Organizational Transactions.

11. Non-Controlling Interest

In July 2024, West Affum Holdings Designated Activity Company (the "DAC"), a subsidiary of the Company, received a \$17,100 investment from a third party (the "Investor") in exchange for shares. The DAC sold the Investor 171 Class A redeemable ordinary shares ("Class A Redeemable Ordinary Shares") of the DAC at a price per share equal to \$100,000 for an aggregate cash purchase price of \$17,100. Concurrently with the execution and delivery of the agreement governing the Investor's investment into DAC, Intermediate Holdings entered into an agreement with the Investor and West Affum LP wherein, at the discretion of the Investor, the DAC's Class A Redeemable Ordinary Shares held by the Investor can be exchanged into common stock of Intermediate Holdings, and subsequently exchanged into Class A Common Units of West Affum LP. The exchange ratio is calculated based on the DAC price per share of \$100,000 and the Class A Common Unit price of \$14.67 as of July 2024 which allows the Investor to exchange 171 DAC Class A Redeemable Ordinary Shares into 1,165,644.17 Class A Common Units of West Affum LP.

In connection with the IPO, all Class A Redeemable Ordinary Shares were exchanged for common stock of Intermediate Holdings, which common stock were exchanged for common units of West Affum LP immediately after. West Affum LP contributed all of its Intermediate Holdings common stock to Kestra Medical Technologies, Ltd. for its Common Shares.

12. Equity Incentive Plan and Stock Based Compensation

Restricted Common Units and Restricted Shares

Certain directors and advisors of the Company were granted 17,149 shares of restricted common units of West Affum LP between September 1, 2022 and October 16, 2024, with a vesting period of 3 years. In connection with the IPO, the restricted common units converted into 23,899 restricted Common Shares of Kestra Medical Technologies, Ltd., subject to continued vesting under the original grant agreements. As of January 31, 2026, 19,916 and 3,983 of these Common Shares were vested and unvested, respectively. As of April 30, 2025, 11,950 and 11,950 were vested and unvested, respectively.

Certain directors and advisors of the Company were granted 35,787 shares of restricted Class A Common Units of West Affum LP between July 24, 2024 and November 3, 2024, with a vesting period of 3 years. In connection with the IPO, Class A Common Units were automatically exchanged into 45,479 restricted Common Shares of Kestra Medical Technologies, Ltd., subject to continued vesting under the directors' original grant agreements. During the nine months ended January 31, 2026, 18,795 restricted Common Shares vested. As of January 31, 2026, there were 23,822 and 21,657 shares of vested and unvested restricted Common Shares outstanding. As of April 30, 2025, there were 12,994 and 32,485 shares of vested and unvested restricted Common Shares outstanding.

Share-based compensation expense associated with restricted common units and restricted Common Shares is immaterial and recorded within selling, general and administrative expense.

In connection with the IPO, the Company entered into the 2025 Omnibus Incentive Plan to grant eligible individuals incentive equity awards, including stock options and restricted stock units. Stock option and restricted stock unit activity for the nine months ended January 31, 2026 is as follows:

Stock Options

Stock Option activity for the nine months ended January 31, 2026 is as follows:

	Number of options	Weighted average exercise price	Weighted average remaining contractual life (in years)	Aggregate intrinsic value (in thousands)
Balance at April 30, 2025	4,649,100	\$ 17.04	9.85	\$ 32,640
Forfeited	(100,000)	17.30		
Balance at January 31, 2026	4,549,100	17.04	9.10	34,727
Vested and exercisable at January 31, 2026	1,658,100	17.07	9.10	12,605

As of January 31, 2026, unrecognized compensation cost for outstanding Stock Options was \$16,232, with the weighted-average period over which this cost is expected to be recognized at 1.05 years. The aggregate intrinsic value of Stock Options is calculated as the difference between the exercise price of the Stock Options and the fair value of the Company's Common Shares for those Stock Options that had exercise prices lower than the fair value of the Company's Common Shares.

The weighted average grant date fair value of Stock Options outstanding as of January 31, 2026 was \$10.20 per share.

Restricted Stock Units

The 2025 Omnibus Incentive Plan also allows for the grants of restricted shares and restricted stock units. During the nine months ended January 31, 2026, the Company granted restricted stock units which vest under three methods:

- Three-year service period restricted unit grants which vest one-third on each of the first, second and third anniversaries of the date of grant. The fair value of these restricted stock units is determined based upon the Company's stock price on the date of grant and expensed over the service period.
- Performance-based restricted stock unit grants that vest after one year only if the Company has achieved curtailed performance objectives as defined and approved by the Company's Board of Directors. The fair value of the performance awards is determined based on the Company's stock price at the date of grant and expensed over the performance period based on the probability of achieving the performance objectives. If such targets are not met or service is not rendered for the requisite service period, no compensation cost is recognized, and any recognized compensation cost in prior periods will be reversed.
- Market-based restricted stock units that have combined market conditions and service conditions for vesting, for which the Company uses the Monte Carlo valuation model to value equity awards (as of the date of grant). Compensation cost is not adjusted if the market condition is not met, as long as the requisite service is provided.

Restricted Stock Units

Restricted stock unit activity for the nine months ended January 31, 2026 is as follows:

	Number of restricted units	Weighted average grant date fair value
Outstanding at April 30, 2025	—	\$ —
Granted	2,449,196	16.95
Forfeited	(84,191)	16.16
Outstanding at January 31, 2026	2,365,005	\$ 16.98

As of January 31, 2026, there was \$26,656 of total unrecognized compensation cost related to unvested restricted units that is expected to be recognized over a weighted-average period of approximately 2.47 years. As of January 31, 2026, none of the restricted units were vested.

Performance Based Restricted Stock Units

During the nine months ended January 31, 2026, the Company granted 434,702 performance-based restricted stock units that vest upon achieving curtailed performance objectives. Achievement of these performance objectives was deemed probable during the three months ended July 31, 2025. The weighted average grant date fair value is \$16.04.

As of January 31, 2026, there was \$2,333 of total unrecognized compensation cost related to unvested performance-based restricted stock units that is expected to be recognized over a weighted-average period of approximately 0.24 years. As of January 31, 2026, none of the performance-based restricted stock units were vested.

Market Based Restricted Stock Units

During the nine months ended January 31, 2026, the Company granted 217,351 market-based restricted stock units that vest upon achieving both market conditions and service conditions.

The Company estimated the fair value of the market-based restricted stock units granted using a Monte Carlo simulation model with the following assumptions:

	January 31, 2026
Expected volatility	54.6%
Expected term	1.76 years
Risk free rate	3.91%
Fair value of underlying common stock	\$ 17.30
Weighted average grant-date fair value per share	\$ 20.25

As of January 31, 2026, there was \$3,293 of total unrecognized compensation cost related to unvested market-based restricted stock units that is expected to be recognized over a weighted-average period of approximately 1.45 years. As of January 31, 2026, none of the market-based restricted stock units were vested.

Employee Stock Purchase Plan

Under the 2025 Employee Stock Purchase Plan (the "ESPP"), approved by the Company's stockholders in September 2025, participants are permitted to purchase shares of Common Stock, up to the IRS allowable limit of \$25,000 in any calendar year and no more than 1,000 shares on any purchase date, through contributions (in the form of payroll deductions or otherwise to the extent permitted by the administrator of the ESPP) of up to 15% of their eligible compensation. The ESPP provides for offering periods not to exceed 27-months, and the Company anticipates each offering period to consist of one or more six-month purchase periods. Participants are permitted to purchase shares of the Company's Common Stock at 85% of the lower of the fair market value of the Company's Common Stock on the first trading day of an offering period or on the last trading date in each purchase period in the applicable offering period. Participants may end their participation at any time during an offering period and will be paid their accrued contributions that have not yet been used to purchase shares. Participation ends automatically upon termination of employment with the Company.

Share Based Compensation

The Company recorded share-based compensation in the following expense categories of its unaudited interim condensed consolidated statements of operations and comprehensive loss:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Research and development	\$ 1,040	\$ 37	\$ 2,582	\$ 125
Selling, general and administrative	9,068	422	20,758	1,833
Total share-based compensation expense	<u>\$ 10,108</u>	<u>\$ 459</u>	<u>\$ 23,340</u>	<u>\$ 1,958</u>

13. Income Taxes

The following table presents details of the provision for income taxes and effective tax rates:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Provision for income taxes	\$ 35	\$ 18	\$ 102	\$ 33
Effective tax rate	0.08%	0.04%	0.08%	0.04%

The Company is based in Bermuda and is a resident of Ireland for tax purposes. The Company has subsidiaries in the Cayman Islands, Ireland and the U.S. Under the current laws of Bermuda and the Cayman Islands, the Company is not subject to tax on income. However, the Company and its subsidiaries are subject to taxation in Ireland, the U.S. federal government, and various states. The Company accounts for the provision for income taxes in accordance with ASC 740, *Income Taxes*, which requires an estimate of the annual effective tax rate for the full year to be applied to the interim period, taking into account year-to-date amounts and projected results for the full year.

The Company's effective tax rate varies from the statutory Irish tax rate due to the impact of the valuation allowance and the effect of state income taxes and research and development credits. The Company's effective tax rate could fluctuate from quarter to quarter based on variations in the estimated and actual level of pre-tax income or loss by jurisdiction, changes in enacted tax laws and regulations, and changes in estimates regarding the realizability of deferred tax assets. As of January 31, 2026 and April 30, 2025, the Company provided a full valuation allowance against its net deferred tax assets that we believe, based on the weight of available evidence, are not more likely than not to be realized.

14. Commitments and Contingencies

From time to time, the Company may become involved in litigation relating to claims arising from the ordinary course of business. The Company considers the likelihood of loss or impairment of an asset, or the incurrence of a liability, as well as the ability to reasonably estimate the amount of loss, in determining loss contingencies. An estimated loss contingency is accrued when information available prior to issuance of the unaudited interim condensed consolidated financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred at the date of the unaudited interim condensed consolidated financial statements, and the amount or range of loss can be reasonably estimated. Legal costs are expensed as incurred. Gain contingencies are not recognized until they are realized or realizable.

The Company enters into indemnification agreements with its officers and directors, and the Company's certificate of incorporation and bylaws include similar indemnification obligations to its officers and directors. To date, there have been no claims under any indemnification provisions, therefore there is no accrual of such amounts as of January 31, 2026 and April 30, 2025. The Company is unable to determine the maximum potential impact of these indemnifications on the future results of operations.

Management believes that there are currently no other claims or actions pending against the Company where the ultimate disposition could have a material effect on the Company's results of operations, financial condition or cash flows.

15. Defined Contribution Plan

The Company sponsors a defined contribution retirement savings plan under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "401(k) Plan"), for its full-time employees, which covers all eligible employees in the United States. The 401(k) Plan provides for matching and discretionary contributions by the Company. For the nine months ended January 31, 2026 and 2025, matching and discretionary contributions by the Company totaled \$1,628 and \$1,210, respectively.

16. Net Loss Per Share Attributable to Common Shareholders

The Organizational Transactions represent a business combination between entities under common control under the principles of ASC Topic 805, *Business Combinations*. In connection with the Organizational Transactions, West Affum LP contributed its 105,808 shares of common stock in Intermediate Holdings for 19,885,382 Common Shares of Kestra Medical Technologies, Ltd. (“Exchange”). Under the principles of ASC 260, *Earnings Per Share*, the Exchange was applied retrospectively for purposes of calculating basic and diluted net loss per share. Other transactions that closed contemporaneously with the Organizational Transactions, including conversions of preferred stock, non-controlling interests, and equity awards were accounted for prospectively beginning on the date such transactions occurred, and were not given retrospective treatment as they changed the relative subordination characteristics of the securities owned by the respective holders after the effective date of the Organizational Transactions. Similarly, the shares issued upon the IPO and exercise of the underwriters’ overallotment option were accounted for prospectively beginning on the date such shares were issued and were not given retrospective treatment. The total number of outstanding shares disclosed on the face of the unaudited interim condensed consolidated balance sheets and unaudited interim condensed consolidated statements of changes in redeemable preferred stock and shareholders’ equity (deficit) represents the number of shares legally outstanding as of the latest unaudited interim condensed consolidated balance sheet date. This differs from the number of outstanding shares disclosed for basic and diluted net loss per share, which has been retrospectively adjusted for Common Shares outstanding but not yet vested.

Basic net loss per share attributable to common shareholders is calculated by dividing net loss by the weighted average number of Common Shares outstanding during the period and excludes any dilutive effects of employee share-based awards and warrants to purchase Common Shares. Diluted net loss per share attributable to common shareholders is computed giving effect to all potentially dilutive Common Shares, including Common Shares issuable upon vesting of share-based payment awards and/or upon exercise of the warrants. For the nine months ended January 31, 2026 and 2025, the Company did not have any dilutive shares. For both periods presented, there is no difference in the number of shares used to compute basic and diluted shares outstanding due to the Company’s net loss position.

The following table sets forth the computation of basic and diluted net loss per share attributable to common shareholders for the three and nine months ended January 31, 2026 and 2025:

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2026	2025	2026	2025
Numerator:				
Net loss attributable to Kestra Medical Technologies, Ltd.	\$ (34,166)	\$ (21,509)	\$ (92,777)	\$ (61,761)
Undeclared preferred dividends	—	(3,324)	—	(9,030)
Net loss attributable to common shareholders	\$ (34,166)	\$ (24,833)	\$ (92,777)	\$ (70,791)
Denominator:				
Weighted average shares of common share outstanding - basic and diluted	55,848,413	19,885,382	52,843,097	19,885,382
Net loss per share attributable to common shareholders - basic and diluted	\$ (0.61)	\$ (1.25)	\$ (1.76)	\$ (3.56)

The following potentially dilutive securities outstanding have been excluded from the computations of weighted-average shares outstanding because such securities have an antidilutive impact due to losses reported (in common stock equivalent shares):

	As of January 31,	
	2026	2025
Stock options	4,549,100	—
Restricted stock units	2,365,005	—
Performance-based restricted stock units	434,702	—
Market-based restricted stock units	434,702	—
Restricted stock	25,640	53,097
Warrants to purchase Common Shares	109,069	—
Employee Stock Purchase Plan	60,196	—
Total	7,978,414	53,097

17. Strategic collaboration agreement

In December 2025, the Company entered into a strategic collaboration agreement with Biobeat Technologies, Ltd. (“Biobeat”), a medical device company focused on cuffless, patch-worn noninvasive ambulatory blood pressure monitoring technology. The collaboration is intended to expand the diagnostic insights available to healthcare providers managing patients prescribed wearable cardioverter defibrillators. The collaboration agreement includes research and development funding under which the Company may fund up to \$2,000 contingent upon the achievement of specified milestones. In addition to the collaboration agreement, the Company made a \$5,000 equity investment in Biobeat’s recently announced Series B financing. The Company measured the investment at cost under the measurement alternative under ASC 321, and it is included in Other long-term assets in the Company’s interim condensed consolidated balance sheet.

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

This Management's Discussion and Analysis of Financial Condition and Results of Operation should be read in conjunction with our unaudited interim condensed consolidated financial statements and the related notes to those statements included in this Quarterly Report and our audited consolidated financial statements and the related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" for the fiscal years ended April 30, 2025 and 2024 included in our Annual Report. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under the sections entitled "Special Note Regarding Forward-Looking Statements" and Part II, Item 1A, "Risk Factors" included in this Quarterly Report and in the sections entitled "Risk Factors" and "Special Note Regarding Forward-Looking Statements" in our Annual Report.

Overview

We are a commercial-stage, wearable medical device and digital healthcare company focused on transforming patient outcomes in cardiovascular disease using monitoring and therapeutic intervention technologies that are intuitive, intelligent, and connected. We have developed and are commercializing our Cardiac Recovery System platform, a comprehensive and advanced system that integrates monitoring, therapeutic treatment, digital health, and patient support services into a single, unified solution. The cornerstone of our Cardiac Recovery System platform is the ASSURE WCD, a next generation WCD used to protect patients at an elevated risk of SCA. The ASSURE WCD automatically monitors elevated risk patients and, if needed, delivers a defibrillation shock to return the patient's heart to normal rhythm. We believe the ASSURE WCD offers significant clinical and functional advantages, including greater patient compliance as a result of a major reduction in false alarms, enhanced comfort and improved wearability. In addition to the ASSURE WCD, our Cardiac Recovery System platform includes a comprehensive suite of fully integrated digital solutions and services that enable enhanced patient and provider engagement and oversight, with the objective of improving patient outcomes. We believe our Cardiac Recovery System platform has the potential to disrupt the large existing market and grow the under-penetrated addressable market.

We have been issued a Medicare Provider Number by the CMS, which enables us to bill Medicare for reimbursement for our ASSURE WCD as an accredited supplier to the extent the claim meets Medicare medical necessity and coverage requirements. We derive nearly all our revenue from the direct billing of various third-party payors, including Medicare, Medicaid, private payors and other healthcare-related organizations, for the lease of our ASSURE WCD to patients. We also bill patients for co-insurance payments and deductibles. As WCD therapy has existed for over 20 years in the United States, reimbursement codes are well-established, and WCDs are covered by Medicare, Medicaid and many private payors.

We outsource the manufacturing of our ASSURE WCD and all of its components to third-party suppliers, including contract manufacturers that manufacture garments, chargers, monitors, batteries, cables and various accessories for our ASSURE WCD. We believe that our contract manufacturing partners are recognized in their field for their competency to manufacture the respective components of our ASSURE WCD and have established quality systems that meet FDA requirements. We believe the manufacturers we currently utilize have sufficient capacity to meet our expansion requirements and can scale up their capacity to meet anticipated demand for our product for the foreseeable future.

Since our inception, we have devoted substantially all of our efforts to research and development, undertaking clinical trials, enabling manufacturing activities in support of our product development efforts, hiring personnel, organizing and staffing our company, performing business planning, establishing our intellectual property portfolio, building and expanding a commercial team to market our Cardiac Recovery System platform in the United States, and raising capital to support and expand such activities.

Our fiscal year ends on April 30 of each year. We incurred net losses of \$34.2 million and \$21.8 million for the three months ended January 31, 2026 and 2025, respectively. We incurred net losses of \$92.8 million and \$62.7 million for the nine months ended January 31, 2026 and 2025, respectively. For the three months ended January 31, 2026, we generated revenue of \$24.6 million, with a gross profit of \$12.9 million, compared to revenue of \$15.1 million, with a gross profit of \$6.5 million, for the three months ended January 31, 2025. For the nine months ended January 31, 2026, we generated revenue of \$66.5 million, with a gross profit of \$33.2 million, compared to revenue of \$42.6 million, with a gross profit of \$16.6 million, for the nine months ended January 31, 2025. As of January 31, 2026, we had cash and cash equivalents balances of \$291.3 million, and an accumulated deficit of \$613.0 million.

From our inception to the consummation of the IPO, our operations were primarily funded by proceeds from capital contributions made by West Affum Holdings, L.P., our direct parent prior to the Organizational Transactions (as defined in Note 1, “*The Company*,” to our unaudited interim condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report), in the form of common stock and redeemable preferred stock, and borrowings under our Term Loan 2024 (as defined below). For more information, see “—Liquidity and Capital Resources—Sources of Liquidity”.

In the IPO, we issued and sold an aggregate of 13,664,704 Common Shares at an offering price to the public of \$17.00 per share for net proceeds of \$215.8 million, after deducting underwriting discounts and commissions, which includes the net proceeds from the underwriters’ exercise in full of the over-allotment option. The Organizational Transactions and IPO were completed on March 7, 2025 and the proceeds from the shares sold pursuant to the underwriters’ over-allotment option were received on March 14, 2025.

We have invested heavily in developing and commercializing our Cardiac Recovery System platform. We have also made significant investments in clinical studies to demonstrate the safety and effectiveness of our ASSURE WCD and to support applications for regulatory approvals. We have made and will continue to make significant investments to build our sales and marketing organization, and we intend to continue to increase the size of our commercial team to market our product in the United States. Based on our current operating plan, we believe that our existing cash and cash equivalents and cash generated from revenue transactions with customers will be sufficient to fund our operating and capital needs for at least the next 12 months. We may experience lower than expected cash generated from operating activities or greater than expected capital expenditures, cost of revenue or operating expenses and may require additional funding to execute on our growth plans, which may include future equity and debt financings. Adequate funding may not be available to us on acceptable terms or at all. Our failure to obtain sufficient funds on acceptable terms when needed could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Key Factors Affecting Our Results of Operations and Performance

Factors that have impacted, and that we expect will continue to impact, our operating performance and results of operations include:

- **Commercial Organization.** We have made and continue to make significant investments in recruiting, training and retaining our direct sales force and supporting commercial infrastructure. Successfully recruiting and training additional commercial team members is required to achieve growth. We have in the past and expect in the future to enter into compensation arrangements with our commercial team that may include minimum guaranteed commissions.
- **Gross Profit.** Our results of operations will depend, in part, on our ability to increase our gross profit by more effectively managing our costs to build and deliver our ASSURE WCD and obtaining higher reimbursement realization due to improved market access and shifts in patient mix towards patients with longer wear duration. We expect supply chain efficiencies to result from higher volume purchases of components, and continued manufacturing process improvements.
- **Payor Coverage and Revenue Cycle Management.** Healthcare providers in the United States generally rely on third-party payors, principally Medicare, Medicaid and private payors, to cover and reimburse all or part of the cost of our product. The revenue we can generate from the lease of our ASSURE WCD depends in large part on the availability of reimbursement from such payors. A significant component of our operational efforts includes working with private payors to ensure positive coverage decisions for our product and investing in our revenue cycle management infrastructure to collect cash from payors.
- **Seasonality.** Our billings and collections efforts during January and February tend to be lower because of resetting annual patient healthcare insurance plan deductibles. In addition, as our business grows in the United States and any international markets we may enter into in the future, we may experience seasonality based on holidays, vacations and other factors.

Key Components of Our Results of Operations

The following discussion describes certain key components of our consolidated statement of operations.

Revenue

We received FDA approval for the commercialization of our ASSURE WCD on July 27, 2021 and fully commercially launched our ASSURE WCD in August 2022. We generate revenue by leasing our ASSURE WCD to patients for a fixed amount on a month-to-month basis. The lease payments generally consist of the contracted amounts based on reimbursement arrangements with third-party payors, comprising Medicare, Medicaid, private payors and other healthcare-related organizations, and patient payments. The patient has the right to cancel the lease at any time during the lease period. We recognize lease revenue over the term of the lease when collectability is probable. If collectability of the lease payments is not deemed to be probable, the lease revenue is limited to the lesser of the income that would have been recognized if collectability was probable or the lease payments collected. If the lease payments are not deemed to be probable at inception, lease revenue is recognized when cash payments are received. We expect that our revenue will continue to increase as the number of patients that use our product increases.

Cost of Revenue

Cost of revenue consist of direct material, labor and indirect costs related to the lease performance of our ASSURE WCD such as the cost of disposable WCD device components, depreciation expense of reusable medical rental equipment components, shipping and order fulfillment costs, as well as other indirect costs incurred to support the manufacture and medical rental equipment delivery to and ongoing support for the patient incurred in connection with providing our ASSURE WCD to patients. Overall expenditures for disposable components and reprocessing costs will increase as the number of patients receiving our ASSURE WCD increases and to a lesser extent, depreciation expense will increase as additional reusable ASSURE WCD components are purchased. However, depreciation expense as a percentage of cost of revenue is expected to decrease in the long run through economies of scale as we continue to grow our business. For additional information on how depreciation impacts our financial results, see Note 2, “*Significant Accounting Policies*” to our unaudited interim condensed consolidated financial statements included elsewhere in this Quarterly Report.

Gross Profit

We calculate gross profit as revenue less cost of revenue. We expect our gross profit to increase as reimbursement realization increases due to improved market access and shifts in patient mix towards patients with longer wear duration, as well as supply chain efficiencies from higher volume purchases of components and manufacturing process improvements. In addition, as the number of patients we serve continues to increase, we expect the cost of fitting per patient to continue to decrease. However, gross profit may be negatively impacted by a number of factors, including increases in prices of materials and electronics components, labor rates, shipping rates, and inflation.

Research and Development Expenses

Research and development expenses consist of personnel expenses, including salaries, benefits and share-based compensation expense for product development personnel, prototype materials and other expenses related to the development of new products. We expense research and development expenses as they are incurred, although advanced payments that we make for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses and expensed as the related goods are delivered or the services are performed.

We expect our research and development expenses to decrease as a percentage of revenue for the foreseeable future as our revenue increases. We will continue to invest in research and development activities related to developing new products and services, further enhancing our products and services through introducing new extensions and enhancements, conducting clinical trials as necessary and preparing any new products and services for commercialization.

Selling, General and Administrative Expenses

Selling expenses consist primarily of personnel expenses, including salaries, commissions, bonuses, benefits, travel, and share-based compensation expense for sales, marketing and field clinical personnel, as well as investments in marketing initiatives to increase market awareness of our technology, including expenses related to travel, conferences, trade shows and consulting services.

General and administrative expenses consist primarily of personnel expenses, including salaries, benefits and share-based compensation expense for personnel in executive, finance, accounting, commercial operations, distribution costs, revenue cycle management, legal, human resources, IT and administrative functions. General and administrative expenses also include direct or allocated expenses for rent and maintenance of facilities and insurance, not otherwise included in research and development expenses, selling expenses, or cost of revenue, as well as professional fees for legal, patent and consulting services. We expect expenses related to revenue cycle management to increase at higher rates than other types of general and administrative expenses as this function will continue to grow as the volume increases.

We expect that our overall selling, general and administrative expenses will increase in the foreseeable future as we increase our headcount to support the continued growth of our business. We also anticipate incurring additional expenses associated with operating as a public company, including increased expenses related to audit, legal, regulatory, compliance, director and officer insurance, investor and public relations, and tax-related services associated with maintaining compliance with the rules and regulations of the SEC and standards applicable to companies listed on a national securities exchange. These expenses may further increase when we no longer qualify as an “emerging growth company” under the JOBS Act, which will require us to comply with certain reporting requirements from which we are currently exempt. However, we expect overall general and administrative expenses to decrease as a percentage of revenue primarily as, and to the extent, our revenue grows.

Interest and Other Expense (Income)

Interest and other expense (income) consists of cash and non-cash components. The cash component of interest expense (income) is attributable to borrowings under our term loan as well as interest received from various interest-bearing bank accounts. The non-cash component consists of interest expense recognized from the amortization of debt discounts, debt issuance costs and warrant fair value adjustments.

Provision for Income Taxes

To date, we have recorded a limited amount of United States federal and state income tax expense. In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during periods in which those temporary differences become deductible. We consider the scheduled reversal of deferred tax liabilities, projected future taxable income, carryback opportunities and tax planning strategies in making the assessment. We believe it is more likely than not that we will not realize the benefits of these deductible differences and have applied a full valuation allowance against them.

Results of Operations for the Three and Nine Months Ended January 31, 2026 and 2025

The following tables set forth our results of operations for the three and nine months ended January 31, 2026 and 2025. We have derived the data for the three and nine months ended January 31, 2026 and 2025 from our unaudited interim condensed consolidated financial statements included elsewhere in this Quarterly Report. This information should be read in conjunction with our unaudited interim condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report. The results for historical periods are not necessarily indicative of the results of operations for any future period, and our interim results are not necessarily indicative of the results to be expected for the full year.

(in thousands)	Three Months Ended January 31,		\$ Change	% Change
	2026	2025		
Revenue	\$ 24,552	\$ 15,090	\$ 9,462	63%
Cost of revenue	11,646	8,543	3,103	36%
Gross profit	12,906	6,547	6,359	97%
Operating expenses:				
Research and development	4,972	3,353	1,619	48%
Selling, general and administrative	42,699	23,795	18,904	79%
Total operating expenses	47,671	27,148	20,523	76%
Loss from operations	(34,765)	(20,601)	(14,164)	69%
Other expense (income):				
Interest expense	1,888	1,783	105	6%
Interest income	(2,163)	(628)	(1,535)	244%
Other expense (income)	(359)	(15)	(344)	2293%
Net loss before provision for income taxes	(34,131)	(21,741)	(12,390)	57%
Provision for income taxes	35	18	17	94%
Net loss and comprehensive loss	(34,166)	(21,759)	(12,407)	57%
Net loss attributable to non-controlling interest	—	(250)	250	(100%)
Net loss and comprehensive loss attributable to Kestra Medical Technologies, Ltd.	(34,166)	(21,509)	(12,657)	59%
Less: Undeclared preferred stock dividends	—	3,324	(3,324)	(100%)
Net loss attributable to common shareholders, basic and diluted	\$ (34,166)	\$ (24,833)	\$ (9,333)	38%

(in thousands)	Nine Months Ended January 31,		\$ Change	% Change
	2026	2025		
Revenue	\$ 66,488	\$ 42,582	\$ 23,906	56%
Cost of revenue	33,307	26,005	7,302	28%
Gross profit	33,181	16,577	16,604	100%
Operating expenses:				
Research and development	13,850	10,266	3,584	35%
Selling, general and administrative	114,728	64,477	50,251	78%
Total operating expenses	128,578	74,743	53,835	72%
Loss from operations	(95,397)	(58,166)	(37,231)	64%
Other expense (income):				
Interest expense	5,702	5,974	(272)	(5%)
Interest income	(6,125)	(1,543)	(4,582)	297%
Other expense (income)	(2,299)	73	(2,372)	(3249%)
Net loss before provision for income taxes	(92,675)	(62,670)	(30,005)	48%
Provision for income taxes	102	33	69	209%
Net loss and comprehensive loss	(92,777)	(62,703)	(30,074)	48%
Net loss attributable to non-controlling interest	—	(942)	942	(100%)
Net loss and comprehensive loss attributable to Kestra Medical Technologies, Ltd.	(92,777)	(61,761)	(31,016)	50%
Less: Undeclared preferred stock dividends	—	9,030	(9,030)	(100%)
Net loss attributable to common shareholders, basic and diluted	<u>\$ (92,777)</u>	<u>\$ (70,791)</u>	<u>\$ (21,986)</u>	<u>31%</u>

Comparison of the Three and Nine Months Ended January 31, 2026 and 2025

Revenue

Revenue for the three months ended January 31, 2026 increased by \$9.5 million, or 63%, compared to the three months ended January 31, 2025. Revenue growth was primarily driven by a 58% increase in the number of patients using our products.

Revenue for the nine months ended January 31, 2026 increased by \$23.9 million, or 56%, compared to the nine months ended January 31, 2025. Revenue growth was primarily driven by a 55% increase in the number of patients using our products.

Cost of Revenue

Cost of revenue for the three months ended January 31, 2026 increased by \$3.1 million, or 36%, compared to the three months ended January 31, 2025. The increase in cost of revenue was primarily driven by a \$1.9 million increase in the cost of disposable medical equipment supplies and equipment reconditioning, attributable to the increase in the number of patients using our product, a \$0.9 million increase in depreciation expense due to an increased number of systems and equipment in use, a \$0.5 million increase in reserve for lost or damaged equipment, and a \$0.5 million increase in other costs, partially offset by a \$0.7 million decrease in depreciation expense from increased useful lives of our components.

Cost of revenue for the nine months ended January 31, 2026 increased by \$7.3 million, or 28%, compared to the nine months ended January 31, 2025. The increase in cost of revenue was primarily driven by a \$5.2 million increase in the cost of disposable medical equipment supplies and equipment reconditioning, attributable to the increase in the number of patients using our product, a \$1.3 million increase in depreciation expense due to an increased number of systems and equipment in use, a \$0.8 million increase in reserve for lost or damaged equipment, and a \$1.0 million increase in other costs, partially offset by a \$0.9 million decrease in depreciation expense from increased useful lives of our components.

Gross Profit

Gross profit for the three months ended January 31, 2026 increased by \$6.4 million, or 97%, compared to the three months ended January 31, 2025. The increase in gross profit was primarily due to growth in our total revenue. The increase in gross profit was also driven by a decrease in cost of revenues per patient by 14% for the three months ended January 31, 2026 compared to the three months ended January 31, 2025, due to further improvements in the utilization of our rental pool of medical equipment and lower disposable costs driven by volume and implementation of manufacturing cost improvement programs, and longer useful lives of our medical rental equipment components.

Gross profit for the nine months ended January 31, 2026 increased by \$16.6 million, or 100%, compared to the nine months ended January 31, 2025. The increase in gross profit was primarily due to growth in our total revenue. The increase in gross profit was also driven by a decrease in cost of revenues per patient by 17% for the nine months ended January 31, 2026 compared to the nine months ended January 31, 2025, due to further improvements in the utilization of our rental pool of medical equipment and lower disposable costs driven by volume and implementation of manufacturing cost improvement programs, and longer useful lives of our medical rental equipment components.

Research and Development Costs

Research and development costs for the three months ended January 31, 2026 increased by \$1.6 million, or 48%, compared to the three months ended January 31, 2025. The increase was primarily driven by a \$1.3 million increase in share-based compensation expense and a \$0.3 million increase in contractor costs.

Research and development costs for the nine months ended January 31, 2026 increased by \$3.6 million, or 35%, compared to the nine months ended January 31, 2025. The increase was primarily driven by a \$2.8 million increase in personnel expenses such as salaries, benefits and share-based compensation expense, and a \$0.7 million increase in contractor costs.

Selling, General and Administrative Expenses

Selling, general and administrative expenses for the three months ended January 31, 2026 increased by \$18.9 million, or 79%, compared to the three months ended January 31, 2025. The increase was primarily driven by a \$15.3 million increase in personnel expenses such as salaries, benefits and share-based compensation, resulting from an increase in headcount to support commercial growth, a \$0.9 million increase in travel and entertainment expenses due to an increase in headcount, a \$0.8 million increase in commercial support costs including contractors and external recruitment costs, a \$0.6 million increase related to shipping and logistics costs, a \$0.5 million increase related to increased software licensing fees driven by increased headcount, a \$0.4 million increase related to conference fees, a \$0.3 million increase in commercial training costs, and a \$0.2 million increase in other costs.

Selling, general and administrative expenses for the nine months ended January 31, 2026 increased by \$50.3 million, or 78%, compared to the nine months ended January 31, 2025. The increase was primarily driven by a \$36.6 million increase in personnel expenses such as salaries, benefits and share-based compensation, resulting from an increase in headcount to support commercial growth, a \$3.2 million increase in legal, accounting, professional service fees, and insurance related to our transition to a public company, a \$2.4 million increase in travel and entertainment expenses due to an increase in headcount, a \$2.1 million increase in commercial support costs including contractors and external recruitment costs, a \$1.7 million increase in commercial training costs, a \$1.5 million increase related to shipping and logistics costs, a \$1.4 million increase related to increased software licensing fees driven by increased headcount, a \$0.8 million increase related to conference fees, and \$0.5 million increase in other costs.

Interest and Other Expense (Income)

Interest expense for the three months ended January 31, 2026 increased by \$0.1 million compared to the three months ended January 31, 2025.

Interest expense for the nine months ended January 31, 2026 decreased by \$0.3 million compared to the nine months ended January 31, 2025.

Interest income for the three months ended January 31, 2026 increased by \$1.5 million compared to the three months ended January 31, 2025. The increase was primarily due to interest income received from various interest-bearing bank accounts as a result of higher account balances.

Interest income for the nine months ended January 31, 2026 increased by \$4.6 million compared to the nine months ended January 31, 2025. The increase was primarily due to interest income received from various interest-bearing bank accounts as a result of higher account balances.

Other expense (income) for the three months ended January 31, 2026 increased by \$0.3 million compared to the three months ended January 31, 2025. The increase was primarily due to an increase in the fair value of the warrant liability.

Other expense (income) for the nine months ended January 31, 2026 increased by \$2.4 million compared to the nine months ended January 31, 2025. The increase was primarily due to the addition of the warrant liability.

Provision for Income Taxes

For each of the three and nine months ended January 31, 2026 and 2025, the tax provision was less than \$0.1 million, which was primarily related to state tax liabilities in the United States.

Liquidity and Capital Resources

Since inception, we have devoted substantially all our efforts to research and development, undertaking clinical trials, enabling manufacturing activities in support of our product development efforts, hiring personnel, organizing and staffing our company, performing business planning, establishing our intellectual property portfolio, building and expanding a commercial team to market our Cardiac Recovery System platform in the United States, and raising capital to support and expand such activities. We have incurred net losses in each year since inception and expect to continue to incur net losses in the foreseeable future. Our net loss and comprehensive loss were \$34.2 million and \$21.8 million for the three months ended January 31, 2026 and 2025, respectively. Our net loss and comprehensive loss were \$92.8 million and \$62.7 million for the nine months ended January 31, 2026 and 2025, respectively. As of January 31, 2026, we had an accumulated deficit of \$613.0 million. For the nine months ended January 31, 2026 and 2025, we generated negative operating cash flows of \$63.0 million and \$53.6 million, respectively.

As of January 31, 2026 and April 30, 2025, our principal sources of liquidity consisted of \$291.3 million and \$237.6 million of cash and cash equivalents, respectively. Based on our current operating plan, we believe that our existing cash and cash equivalents, which includes the net proceeds from our IPO, as well as cash generated from revenue transactions with customers, will be sufficient to fund our operating and capital needs for at least the next 12 months.

On December 4, 2025, the Company completed a public underwritten offering and issued an aggregate of 6,900,000 Common Shares at a price of \$23.00 per share, resulting in net proceeds to the Company of \$149.3 million, after deducting underwriting discounts but before expenses paid by the Company. The aggregate number of Common Shares offered pursuant to the public offering included 900,000 Common Shares issued pursuant to the exercise in full of the underwriters' option to purchase additional shares. The Common Shares were sold pursuant to an Underwriting Agreement, dated December 2, 2025, between the Company and BofA Securities, Inc., Piper Sandler & Co., J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC as representatives of the underwriters named therein.

Funding Requirements and Contractual Obligations

We have incurred significant operating losses and negative cash flows driven by substantial research and development expenses as well as our large investment in our fleet of ASSURE WCDs and building our commercial organization. Our operations have focused on developing products, establishing our intellectual property portfolio, marketing our product and staffing the Company to support continued growth. Our primary use of cash has been to fund operating expenses, which comprise research and development expenses, and costs of building the commercial team and necessary infrastructure to support our growth. Cash used to fund our operating expenses is impacted by the timing of when we pay for such expenses.

We obtained the PMA for our ASSURE WCD from the FDA on July 27, 2021 and fully commercially launched our ASSURE WCD in August 2022. We will continue to scale the business and therefore expect operating losses to continue. Based on our current operating plan, we believe that our existing cash and cash equivalents, which includes the net proceeds from our IPO, as well as cash generated from revenue transactions with customers, will be sufficient to fund our operating and capital needs for at least the next 12 months. We may experience lower than expected cash generated from operating activities or greater than expected capital expenditures, cost of revenue or operating expenses and may require additional funding to execute on our growth plans, which may include future equity and debt financings. Our assessment of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties.

Our future obligations primarily consist of our debt obligations. From our inception to the consummation of the IPO, our operations were primarily funded by proceeds from our capital contributions made by West Affum Holdings, L.P., our direct parent prior to the Organizational Transactions, borrowings under our Term Loan 2024 and our revenues. We expect the proceeds from our IPO and secondary offering, cash generation from operations, and future ability to refinance or secure additional equity or financing to be sufficient to repay our outstanding debt obligations. As of January 31, 2026, the outstanding principal amount under the Term Loan 2024 was approximately \$45.0 million. For further information, see Note 7, "Long-Term Debt," to our unaudited interim condensed consolidated financial statements included elsewhere in this Quarterly Report.

Sources of Liquidity

As of January 31, 2026, we had cash and cash equivalents and restricted cash balances of \$291.3 million and an accumulated deficit of \$613.0 million.

On December 4, 2025, the Company completed a public underwritten offering and issued an aggregate of 6,900,000 Common Shares at a price of \$23.00 per share, resulting in net proceeds to the Company of \$149.3 million, after deducting underwriting discounts but before expenses paid by the Company. The aggregate number of Common Shares offered pursuant to the public offering included 900,000 Common Shares issued pursuant to the exercise in full of the underwriters' option to purchase additional shares. The Common Shares were sold pursuant to an Underwriting Agreement, dated December 2, 2025, between the Company and BofA Securities, Inc., Piper Sandler & Co., J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC as representatives of the underwriters named therein.

In May and July of 2024, we received \$103.4 million in cash from West Affum Holdings, L.P. in return for the issuance of redeemable preferred stock as described in Note 10, "*Redeemable Preferred Stock*," to our unaudited interim condensed consolidated financial statements included elsewhere in this Quarterly Report. Additionally, in July 2024, one of our subsidiaries received \$17.1 million from a third-party investor in return for redeemable shares of the subsidiary.

On September 29, 2023, we entered into a Credit Agreement with Perceptive Credit Holdings IV, LP, as administrative agent, which provides for a senior secured delayed draw term loan facility in an aggregate principal amount of up to \$60.0 million ("Term Loan 2024"). The Term Loan 2024 matures on September 29, 2028. Borrowings under the Term Loan 2024 are made available in up to three tranches, the first of which is available upon closing of the Term Loan 2024 and two follow-on tranches of \$7.5 million which would have become available before November 1, 2024 and February 1, 2025, dependent upon achievement of revenue milestones of trailing twelve month revenues of \$50.0 million and \$70.0 million, respectively. We did not meet the revenue milestone required to draw on the November 1, 2024 follow-on tranche of the Term Loan 2024. As of October 31, 2024, we determined it was not likely that we would meet the revenue milestone required to draw on the February 1, 2025 tranche of the Term Loan 2024. As a result, we expensed the asset related to debt issuance costs and facility fees in the amount of \$0.5 million. The Term Loan 2024 bears interest on outstanding balances of Term SOFR plus a margin of 7.25% per annum. All interest is due and payable quarterly in arrears.

On September 29, 2023, we drew the initial \$45.0 million under the Term Loan 2024. In conjunction with the draw of the first tranche, West Affum Holdings, L.P. issued a warrant to the lender to purchase up to 256,410 shares of West Affum Holdings, L.P.'s common units at an exercise price of \$17.55 per share. The fair value of the warrant was \$1.6 million and recognized as a debt discount and as a capital contribution, and the debt discount was amortized over the term of the loan to interest expense.

On February 25, 2025, we entered into the Second Amendment to Credit Agreement and Guaranty, by and among Kestra Medical Technologies, Inc., the Company, the guarantors party thereto, the lenders party thereto and Perceptive Credit Holdings IV, LP, as administrative agent (the "Second Amendment to Credit Agreement") which amended the Term Loan 2024 to adjust the revenue milestones set forth in the Term Loan 2024 and to amend our ability to draw on additional funds. Under the Second Amendment to Credit Agreement, an additional \$15.0 million term loan draw is available to us through July 31, 2026 upon achievement of a twelve-month trailing revenue run rate of \$60.0 million. In connection with the Second Amendment to Credit Agreement and the IPO, the warrant issued to Perceptive Credit Holdings IV, LP on September 29, 2023 was cancelled and replaced with the 2033 Warrant to purchase up to 325,847 of our Common Shares with an exercise price of \$11.54 per share. On September 4, 2025, Perceptive Credit Holdings IV, LP fully exercised the 2033 Warrant to purchase Common Shares on a cashless basis, resulting in the issuance of 100,397 Common Shares and the cancellation of the 2033 Warrant.

For further information, see Note 7, "*Long-Term Debt*," to our unaudited interim condensed consolidated financial statements included elsewhere in this Quarterly Report and our consolidated financial statements for the fiscal years ended April 30, 2025 and 2024 included in the Annual Report.

Cash Flows

The following table presents a summary of our cash flows from operating activities, investing activities and financing activities for the periods indicated:

(in thousands)	Nine Months Ended January 31,	
	2026	2025
Net cash used in operating activities	\$ (62,983)	\$ (53,552)
Net cash used in investing activities	(30,571)	(15,904)
Net cash provided by (used in) financing activities	147,280	115,559
Increase (decrease) in cash, cash equivalents and restricted cash	<u>\$ 53,726</u>	<u>\$ 46,103</u>

Cash Flows from Operating Activities

For the nine months ended January 31, 2026, cash used in operating activities was \$63.0 million, which primarily consisted of a net loss of \$92.8 million and a net decrease of \$3.1 million in operating assets and liabilities, offset by \$32.9 million in net non-cash charges. The net change in our operating assets and liabilities consisted of changes in account receivables of \$6.1 million, accounts payable of \$0.6 million, disposable medical equipment supplies of \$0.5 million, and operating lease liabilities of \$0.5 million, partially offset by accrued liabilities of \$4.2 million and prepaid expenses and other current assets of \$0.4 million. The non-cash charges primarily consisted of share-based compensation expense of \$23.3 million, depreciation and amortization of \$6.4 million, reserve for lost equipment and supplies of \$1.6 million, provision for uncollectible accounts receivable of \$1.5 million, amortization of debt discounts and issuance costs of \$1.4 million, loss on disposal of property and equipment of \$0.7 million, and non-cash lease expense of \$0.3 million, partially offset by change in fair value of warrant liability of \$2.3 million.

For the nine months ended January 31, 2025, cash used in operating activities was \$53.6 million, which primarily consisted of a net loss of \$62.7 million and a net decrease of \$4.4 million in operating assets and liabilities, offset by \$13.6 million in net non-cash charges. The net change in our operating assets and liabilities was primarily due to changes in accounts receivable of \$7.8 million, disposable medical equipment supplies of \$2.8 million, and prepaid expenses and other current assets of \$0.4 million, partially offset by changes in accounts payable of \$3.7 million, accrued liabilities of \$2.7 million, operating lease liabilities of \$0.2 million. The non-cash charges primarily consisted of depreciation and amortization expense of \$6.1 million, share-based compensation expense of \$2.0 million, provision for uncollectible accounts receivable of \$1.9 million, amortization of debt discounts and issuance costs of \$1.0 million, loss on disposal of property and equipment of \$0.9 million, reserve for lost equipment and supplies of \$0.6 million, interest paid-in-kind of \$0.7 million related to the Term Loan 2024, and non-cash lease expense of \$0.3 million.

Cash Flows from Investing Activities

For the nine months ended January 31, 2026, cash used in investing activities was \$30.6 million, which primarily consisted of \$25.2 million of purchases of property and equipment such as medical rental equipment, computer hardware, test equipment and other research and development activities, and leasehold improvements, \$5.0 million in the purchase of an equity security, and \$0.3 million of deposits paid for medical rental equipment.

For the nine months ended January 31, 2025, cash used in investing activities was \$15.9 million, which primarily consisted of purchases of property and equipment such as medical rental equipment, computer hardware, test equipment and other research and development activities, and leasehold improvements.

Cash Flows from Financing Activities

For the nine months ended January 31, 2026, cash provided by financing activities was \$147.3 million, which primarily consisted of proceeds of \$149.3 million from the secondary offering offset by \$2.0 million of payments of equity offering costs.

For the nine months ended January 31, 2025, cash provided by financing activities was \$115.6 million, which primarily consisted of proceeds from the issuance of redeemable preferred stock of \$103.4 million and \$17.1 million in proceeds from issuance of stock to non-controlling interests. The increase in cash provided by financing activities was offset by equity issuance costs of \$3.2 million and deemed dividend payments of \$1.6 million.

Off-Balance Sheet Arrangements

As of January 31, 2026, we have two irrevocable standby letters of credit issued by Silicon Valley Bank, a division of First Citizens Bank, that total \$0.1 million related to our office leases and Cash Pledge Agreement of \$0.2 million as collateral for the Company credit card program. We did not have any other obligations, assets or liabilities that would be considered off-balance sheet arrangements. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements. We have not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or entered into any non-financial agreements involving assets.

Critical Accounting Policies and Significant Management Estimates

Our management's discussion and analysis of our financial condition and results of operations are based on our unaudited interim condensed consolidated financial statements, which have been prepared in accordance with United States generally accepted accounting principles. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, costs and expenses and related disclosures. We base our estimates on historical experience, known trends and events and 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 values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ materially from these estimates under different assumptions or conditions, could have a material impact on the Company's business, financial condition, results of operations and prospects.

Information about our significant accounting policies and how estimates are involved in the preparation of our financial statements are described in our Annual Report filed with the SEC on July 17, 2025. See also Note 2 to our unaudited interim condensed consolidated financial statements elsewhere in this Quarterly Report. There have been no material changes in our significant accounting policies and estimates since our Annual Report.

Emerging Growth Company and Smaller Reporting Company Status

We are an "emerging growth company" as defined in Section 2(a) of the Securities Act. We will remain an emerging growth company until the earliest to occur of (i) the last day of the fiscal year that follows the fifth anniversary of the completion of our IPO; (ii) the last day of the fiscal year in which we have total annual gross revenue of at least \$1.235 billion; (iii) the last day of the fiscal year in which we are deemed to be a "large accelerated filer," as defined in Rule 12b-2 under the Exchange Act, which will occur when the market value of our Common Shares held by non-affiliates exceeds \$700.0 million as of the most recently completed second quarter; and (iv) the date on which we have issued more than \$1 billion in non-convertible debt over a three-year period.

Pursuant to the JOBS Act, an emerging growth company is provided the option to adopt new or revised accounting standards that may be issued by the Financial Accounting Standards Board or the SEC either (i) within the same periods as those otherwise applicable to non-emerging growth companies or (ii) within the same time periods as private companies. We have elected to take advantage of the exemption for complying with new or revised accounting standards within the same time periods as private companies. Accordingly, the information contained herein may be different than the information you receive from other public companies.

We have elected to take advantage of some of the reduced regulatory and reporting requirements of emerging growth companies pursuant to the JOBS Act so long as we qualify as an emerging growth company, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, and reduced disclosure obligations regarding executive compensation.

We are also a "smaller reporting company," as such term is defined in Rule 12b-2 under the Exchange Act. We may continue to be a smaller reporting company for so long as either (1) the market value of our Common Shares held by non-affiliates is less than \$250.0 million as of the last business day of our most recently completed second fiscal quarter or (2) our annual revenue was less than \$100.0 million during the most recently completed fiscal year and the market value of our Common Shares held by non-affiliates is less than \$700.0 million as of the last business day of our most recently completed second quarter. Any loss of our status as a smaller reporting company takes effect in the first quarter after the fiscal year in which we cease to qualify as a smaller reporting company. To the extent that we continue to qualify as a smaller reporting company at the time we cease to qualify as an emerging growth company, we will continue to be permitted to make certain reduced disclosures in our periodic reports and other documents that we file with the SEC. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

Recently Adopted and Issued Accounting Pronouncements

Recently issued accounting pronouncements are described in Note 2 to our unaudited interim condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes to our market risk during the nine months ended January 31, 2026. For a discussion of our market risk, refer to our quantitative and qualitative disclosures about market risk set forth in Part II, Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that the Company’s disclosure controls and procedures were not effective as of January 31, 2026, because of the material weaknesses in our internal control over financial reporting described below.

Material Weaknesses in Internal Control over Financial Reporting

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

We did not design and maintain an effective control environment commensurate with our financial reporting requirements. Specifically, we lacked a sufficient complement of resources in the accounting, finance and IT functions to appropriately analyze, record and disclose accounting matters timely and accurately. This material weakness contributed to the following additional material weaknesses.

We did not design and maintain effective controls to ensure the financial statements were properly presented and classified for certain non-routine or complex transactions. Specifically, we did not design and maintain controls to appropriately account for the classification of selling, general and administrative expenses, paid-in-kind interest, restricted cash, right of use lease assets, and the cash flow presentation of leases. This material weakness resulted in immaterial audit adjustments to the aforementioned accounts, which were recorded in previous years, prior to the issuance of the consolidated financial statements.

We did not design and maintain effective controls to verify personnel would not have the ability to prepare and post manual journal entries or review account reconciliations without an independent review by someone without the ability to prepare and post manual journal entries. This material weakness did not result in adjustments to the consolidated financial statements.

Additionally, these material weaknesses could result in a misstatement of substantially all of the financial statement accounts and disclosures that would result in a material misstatement to our annual or interim consolidated financial statements that would not be prevented or detected.

We did not design and maintain effective controls over IT general controls for information systems that are relevant to the preparation of our consolidated financial statements. Specifically, we did not design and maintain: (i) program change management controls to ensure that IT program and data changes affecting financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately; (ii) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate Company personnel; (iii) computer operations controls to ensure that data backups are authorized and monitored; and (iv) testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements.

These IT deficiencies did not result in adjustments to our consolidated financial statements; however, the deficiencies, when aggregated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all financial statement accounts and disclosures that would not be prevented or detected. Accordingly, we have determined these deficiencies in the aggregate constitute a material weakness.

Remediation Plans

We continue to make progress towards remediating these material weaknesses. These remediation measures are ongoing as of the date of this Form 10-Q and include: hiring additional personnel, such as financial planning and accounting, compliance, information technology, and other professionals with appropriate levels of knowledge and experience; engaging third parties to assist with technical accounting and in designing and implementing controls related to period-end financial reporting, segregation of duties and IT general controls; designing and implementing controls to properly present and classify non-routine or complex transactions; and enhancing IT governance processes.

We continue to evaluate current and projected resource needs on a regular basis, hire additional qualified resources as needed and have engaged third parties and other professionals to assist with the resolution of IT general controls and governance processes. Our ability to maintain qualified and adequate resources to support the Company and our projected growth will be a critical component of our internal control environment.

The material weaknesses will not be considered remediated until management completes the design and implementation of the measures described above and the controls operate for a sufficient period of time and management has concluded, through testing, that these controls are effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rules 13a-15(d) and 15d-15(d) of the Exchange Act during the quarter ended January 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Disclosure Controls and Procedures and Internal Control over Financial Reporting

Our management team, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives. The effectiveness of any systems of controls is subject to inherent limitations, including the exercise of judgment in designing, implementing, operating, and evaluating the controls and procedures, and the inability to completely eliminate all potential for misconduct. 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, have been detected. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in any cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

The Company is from time to time a party to various lawsuits, claims and other legal proceedings that arise in the ordinary course of business. The Company does not expect any of its pending legal proceedings to have a material adverse effect on its results of operations, financial position or cash flows.

Item 1A. Risk Factors.

Investing in our Common Shares involves a high degree of risk. For a detailed discussion of the risks that affect our business, please refer to the section entitled “Risk Factors” in the Company’s Annual Report. There have been no material changes to our risk factors as previously disclosed in the Company’s Annual Report. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. We may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

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.

During the three months ended January 31, 2026, Vaseem Mahboob, our Chief Financial Officer, adopted a “Rule 10b5-1 trading arrangement”, as such term is defined in Item 408(a) of Regulation S-K. Mr. Mahboob's trading plan was entered into during an open insider trading window and is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act, and our policies regarding transactions in our securities.

Name and Title	Date	Action	Expiration Date	Total Shares Subject to Plan
Vaseem Mahboob	November 6, 2025	Adoption	March 5, 2027	130,970

Item 6. Exhibits.

Exhibit Number	Description
3.1	<u>Certificate of Incorporation (previously filed as Exhibit 3.1 to the Registration Statement on Form S-1 (File No. 333-284807) filed on February 10, 2025 and incorporated herein by reference).</u>
3.2	<u>Memorandum of Association (previously filed as Exhibit 3.2 to the Registration Statement on Form S-1 (File No. 333-284807) filed on February 10, 2025 and incorporated herein by reference).</u>
3.3	<u>Amended and Restated Bye-laws of the Registrant (previously filed as Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-42549) filed on March 7, 2025 and incorporated herein by reference).</u>
3.4	<u>Certificate of Deposit of Memorandum of Increase of Share Capital (previously filed as Exhibit 3.2 to the Current Report on Form 8-K (File No. 001-42549) filed on March 7, 2025 and incorporated herein by reference).</u>
10.1*	<u>Kestra Medical Technologies, Ltd. 2025 Employee Stock Purchase Plan</u>
31.1*	<u>Certification of Principal Executive Officer 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.</u>
31.2*	<u>Certification of Principal Financial Officer 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.</u>
32.1*	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2*	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

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.

Kestra Medical Technologies, Ltd.

Date: March 17, 2026

By: /s/ Brian Webster
Brian Webster
President and Chief Executive Officer

Date: March 17, 2026

By: /s/ Vaseem Mahboob
Vaseem Mahboob
Chief Financial Officer

**KESTRA MEDICAL TECHNOLOGIES, LTD.
2025 EMPLOYEE STOCK PURCHASE PLAN**

**ARTICLE I.
PURPOSE**

The purpose of this Kestra Medical Technologies, Ltd. 2025 Employee Stock Purchase Plan (as it may be amended or restated from time to time, this “Plan”) is to assist Eligible Employees of Kestra Medical Technologies, Ltd., a Bermuda corporation (the “Company”) and its Designated Subsidiaries in acquiring a stock ownership interest in the Company. This Plan consists of two components: (i) the Section 423 Component and (ii) the Non-Section 423 Component. The Section 423 Component is intended to qualify as an “employee stock purchase plan” under Section 423 of the Code and shall be administered, interpreted and construed in a manner consistent with the requirements of Section 423 of the Code. The Non-Section 423 Component authorizes the grant of rights which need not qualify as rights granted pursuant to an “employee stock purchase plan” under Section 423 of the Code. Rights granted under the Non-Section 423 Component shall be granted pursuant to separate Offerings containing such sub-plans, appendices, rules or procedures as may be adopted by the Administrator and designed to achieve tax, securities laws or other objectives for Eligible Employees and Designated Subsidiaries, but shall not be intended to qualify as an “employee stock purchase plan” under Section 423 of the Code.

**ARTICLE II.
DEFINITIONS AND CONSTRUCTION**

Wherever the following terms are used in this Plan they shall have the meanings specified below, unless the context clearly indicates otherwise.

- 2.1. “**Administrator**” means the entity that conducts the general administration of this Plan as provided in Article XI. The term “Administrator” shall refer to the Committee unless the Board has assumed the authority for administration of this Plan as provided in Article XI.
- 2.2. “**Applicable Law**” means the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted, and the applicable laws and rules of any foreign country or other jurisdiction where rights under this Plan are granted.
- 2.3. “**Board**” means the Board of Directors of the Company.
- 2.4. “**Code**” means the U.S. Internal Revenue Code of 1986, as amended from time to time. Any reference to any section of the Code shall also be a reference to any successor provision and any guidance and treasury regulation promulgated thereunder.
- 2.5. “**Common Stock**” means the common stock, \$1.00 par value per share, of the Company.
- 2.6. “**Compensation**” of an Eligible Employee means the gross cash compensation received by such Eligible Employee as compensation for services to the Company or any Designated Subsidiary, including prior week adjustment and overtime payments, but excluding any commissions and periodic bonuses, vacation pay, holiday pay, jury duty pay, funeral leave pay, military leave pay, one-time bonuses (e.g., retention or sign on bonuses), education or tuition reimbursements, travel expenses, business and moving reimbursements, income received in connection with any stock options, stock appreciation rights, restricted stock, restricted stock units or other compensatory equity awards, fringe benefits, other special payments and all contributions made by the Company or any Designated Subsidiary for the Employee’s benefit under any employee benefit plan now or hereafter established.
- 2.7. “**Designated Subsidiary**” means any Subsidiary designated by the Administrator in accordance with Section 11.2(b).
- 2.8. “**Effective Date**” means the date this Plan is adopted by the Board.
- 2.9. “**Eligible Employee**” means:
 - (a) an Employee who does not, immediately after any rights under this Plan are granted, own (directly or through attribution) stock possessing 5% or more of the total combined voting power or value of all classes of Shares and other securities of the Company, a Parent or a Subsidiary (as determined under Section 423(b)(3) of the Code). For purposes of the foregoing, the rules of Section 424(d) of the Code with regard to the attribution of stock ownership shall apply in determining the stock ownership of an individual, and stock that an Employee may purchase under outstanding options shall be treated as stock owned by the Employee.
 - (b) Notwithstanding the foregoing, the Administrator may provide in an Offering Document that an Employee shall not be eligible to participate in an Offering Period under the Section 423 Component if: (i) such Employee is a highly compensated employee within the meaning of Section 423(b)(4)(D) of the Code; (ii) such Employee has not met a service requirement designated by the Administrator pursuant to Section 423(b)(4)(A) of the Code (which service requirement may not exceed two years); (iii) such Employee’s customary employment is for 20 hours per week or less; (iv) such Employee’s customary employment is for less than five months in any calendar year; and/or (v) such Employee is a citizen or resident of a foreign jurisdiction and the grant of a right to purchase Shares under this Plan to such Employee would be prohibited under the laws of such foreign jurisdiction or the grant of a right to purchase Shares under this Plan to such Employee in compliance with the laws of such foreign jurisdiction would cause this Plan to violate the requirements of Section 423 of the Code, as determined by the Administrator in its sole discretion. Any exclusion in clauses (i), (ii), (iii), (iv) or (v) of this Section 2.9(b) shall be applied in an identical manner under each Offering Period to all Employees, in accordance with Treasury Regulation § 1.423-2(e).
 - (c) Further notwithstanding the foregoing, with respect to the Non-Section 423 Component, the first sentence in this definition shall apply in determining who is an “Eligible Employee,” except (i) the Administrator may limit eligibility further within the Company or a Designated Subsidiary so as to only designate some Employees of the Company or a Designated Subsidiary as Eligible Employees, and (ii) to the extent the restrictions in the first sentence in this definition are not consistent with applicable local laws, the applicable local laws shall control.

2.10. “**Employee**” means, (a) with respect to the Non-Section 423 Component, any individual who renders services to the Company or any Designated Subsidiary in the status of an employee, and (b) with respect to the Section 423 Component, a person who is an employee within the meaning of Section 3401(c) of the Code. For purposes of an individual’s participation in, or other rights under this Plan, all determinations by the Company shall be final, binding, and conclusive, notwithstanding that any court of law or governmental agency subsequently makes a contrary determination. For purposes of this Plan, the employment relationship shall be treated as continuing intact while the individual is on sick leave or other leave of absence approved by the Company or Designated Subsidiary and meeting the requirements of Treasury Regulations § 1.421-1(h)(2). Where the period of leave exceeds three months and the individual’s right to reemployment is not guaranteed either by statute or by contract, the employment relationship shall be deemed to have terminated on the first day immediately following such three-month period.

2.11. “**Enrollment Date**” means the first Trading Day of each Offering Period, unless otherwise specified in the Offering Document.

2.12. “**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended from time to time. Reference to a specific section of the Exchange Act or regulation thereunder shall include such section or regulation, any valid regulation or interpretation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing, or superseding such section or regulation.

2.13. “**Fair Market Value**” means, as of any date, the value of a Share determined as follows: (a) if the Common Stock is listed on any established stock exchange, its Fair Market Value will be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the last day preceding such date during which a sale occurred, as reported in *The Wall Street Journal* or another source the Administrator deems reliable; (b) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the closing sales price on such date, or if no sales occurred on such date, then on the last date preceding such date during which a sale occurred, as reported in *The Wall Street Journal* or another source the Administrator deems reliable; or (c) without an established market for the Common Stock, the Administrator will determine the Fair Market Value in good faith in its sole discretion.

2.14. “**Non-Section 423 Component**” means those Offerings under this Plan, together with the sub-plans, appendices, rules or procedures, if any, adopted by the Administrator as a part of this Plan, in each case, pursuant to which rights to purchase Shares during an Offering Period may be granted to Eligible Employees that need not satisfy the requirements for rights to purchase Shares granted pursuant to an “employee stock purchase plan” that are set forth under Section 423 of the Code.

2.15. “**Offering**” means an offer under this Plan of a right to purchase Shares that may be exercised during an Offering Period as further described in Article IV. Unless otherwise specified by the Administrator, each Offering to the Eligible Employees of the Company or a Designated Subsidiary shall be deemed a separate Offering, even if the dates and other terms of the applicable Offering Periods of each such Offering are identical, and the provisions of this Plan will separately apply to each Offering. To the extent permitted by Treasury Regulations § 1.423-2(a)(1), the terms of each separate Offering under the Section 423 Component need not be identical, provided that the terms of the Section 423 Component and an Offering thereunder together satisfy Treasury Regulations § 1.423-2(a)(2) and (a)(3).

2.16. “**Offering Document**” has the meaning given to such term in Section 4.1.

2.17. “**Offering Period**” has the meaning given to such term in Section 4.1.

2.18. “**Parent**” means any corporation, other than the Company, in an unbroken chain of corporations ending with the Company if, at the time of the determination, each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

2.19. “**Participant**” means any Eligible Employee who has executed a subscription agreement and been granted rights to purchase Common Stock pursuant to this Plan.

2.20. “**Purchase Date**” means the last Trading Day of each Purchase Period, unless otherwise specified in the Offering Document.

2.21. “**Purchase Period**” means one or more periods within an Offering Period, as designated in the applicable Offering Document; p rovided, however, that, in the event no Purchase Period is designated by the Administrator in the applicable Offering Document, the Purchase Period for each Offering Period covered by such Offering Document shall be the same as the applicable Offering Period.

2.22. “**Purchase Price**” means the purchase price designated by the Administrator in the applicable Offering Document (which purchase price, for purposes of the Section 423 Component, shall not be less than 85% of the Fair Market Value of a Share on the Enrollment Date or on the Purchase Date, whichever is lower); p rovided, however, that, in the event no purchase price is designated by the Administrator in the applicable Offering Document, the purchase price for the Offering Periods covered by such Offering Document shall be 85% of the Fair Market Value of a Share on the Enrollment Date or on the Purchase Date, whichever is lower; and p rovided, further, that the Purchase Price may be adjusted by the Administrator pursuant to Article VIII and shall not be less than the par value of a Share.

2.23. “**Section 409A**” means the nonqualified deferred compensation rules under Section 409A of the Code and any applicable Treasury Regulations and other official guidance thereunder.

2.24. “**Section 423 Component**” means those Offerings under this Plan, together with the sub-plans, appendices, rules, or procedures, if any, adopted by the Administrator as a part of this Plan, in each case, pursuant to which rights to purchase Shares during an Offering Period may be granted to Eligible Employees that are intended to satisfy the requirements for rights to purchase Shares granted pursuant to an “employee stock purchase plan” that are set forth under Section 423 of the Code.

2.25. “**Section 457A**” means the nonqualified deferred compensation rules under Section 457A of the Code and any applicable Treasury Regulations and other official guidance thereunder.

2.26. “**Share**” means a share of Common Stock.

2.27. “**Subsidiary**” means any corporation, other than the Company, in an unbroken chain of corporations beginning with the Company if, at the time of the determination, each of the corporations other than the last corporation in an unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain; provided, however, that a limited liability company or partnership may be treated as a Subsidiary to the extent either (a) such entity is treated as a disregarded entity under Treasury Regulations § 301.7701-3(a) by reason of the Company or any other Subsidiary that is a corporation being the sole owner of such entity, or (b) such entity elects to be classified as a corporation under Treasury Regulations § 301.7701-3(a) and such entity would otherwise qualify as a Subsidiary. In addition, with respect to the Non-Section 423 Component, Subsidiary shall include any corporate or non-corporate entity in which the Company has a direct or indirect equity interest or significant business relationship.

2.28. “**Trading Day**” means a day on which national stock exchanges in the United States are open for trading.

ARTICLE III. SHARES SUBJECT TO THIS PLAN

3.1. **Number of Shares.** Subject to Article VIII, the aggregate number of Shares that may be issued pursuant to rights granted under this Plan shall be 500,000 Shares. In addition to the foregoing, subject to Article VIII, on the first day of each calendar year beginning on and including January 1, 2026 and ending on and including January 1, 2035, the number of Shares available for issuance under this Plan shall be increased by the number of Shares equal to the lesser of (a) 1% of the number of Shares outstanding on the final day of the immediately preceding calendar year and (b) such smaller number of Shares as determined by the Board. Notwithstanding anything in this Section 3.1 to the contrary, the number of Shares that may be issued or transferred pursuant to the rights granted under the Plan (including, for the avoidance of doubt, under the Section 423 Component) shall not exceed an aggregate of 5,000,000 Shares, subject to Article VIII. If any right granted under this Plan shall for any reason terminate without having been exercised, the Shares not purchased under such right shall again become available for issuance under this Plan.

3.2. **Stock Distributed.** Any Common Stock distributed pursuant to this Plan may consist, in whole or in part, of authorized and unissued Common Stock, treasury stock or Common Stock purchased on the open market.

ARTICLE IV. OFFERING PERIODS; OFFERING DOCUMENTS; PURCHASE DATES

4.1. **Offering Periods.** The Administrator may from time to time grant, or provide for the grant of, rights to purchase Shares under this Plan to Eligible Employees during one or more periods (each, an “**Offering Period**”) selected by the Administrator. The terms and conditions applicable to each Offering Period shall be set forth in an “**Offering Document**” adopted by the Administrator, which Offering Document shall be in such form and shall contain such terms and conditions as the Administrator shall deem appropriate in its sole discretion. The Administrator shall establish in each Offering Document one or more Purchase Periods during such Offering Period during which rights granted under this Plan shall be exercised and purchases of Shares carried out during such Offering Period shall be made in accordance with such Offering Document and this Plan. Except as otherwise determined by the Administrator or provided herein, the Non-Section 423 Component will operate and be administered in the same manner as the Section 423 Component. Offerings intended to be made under the Non-Section 423 Component will be designated as such by the Administrator at or prior to the time of such Offering. Notwithstanding the foregoing, the terms of separate Offering Periods under this Plan need not be identical. Solely by way of example and without limiting the foregoing, the Company could, but shall not be required to, provide for simultaneous Offerings under the Section 423 Component and the Non-Section 423 Component of this Plan.

4.2. **Offering Documents.** Each Offering Document with respect to an Offering Period shall specify (through incorporation of the provisions of this Plan by reference or otherwise):

- (a) the length of the Offering Period, which period shall not exceed 27 months;
- (b) the length of the Purchase Period(s) within the Offering Period, if applicable;
- (c) the maximum number of Shares that may be purchased by any Eligible Employee during such Offering Period (which, in the absence of a contrary designation by the Administrator, shall be 1,000 Shares); and
- (d) such other provisions as the Administrator determines are appropriate, subject to this Plan.

ARTICLE V. ELIGIBILITY AND PARTICIPATION

5.1. **Eligibility.** Any Eligible Employee who shall be employed by the Company or a Designated Subsidiary on a given Enrollment Date for an Offering Period shall be eligible to participate in this Plan during such Offering Period, subject to the requirements of this Article V and, for the Section 423 Component, the limitations imposed by Section 423(b) of the Code.

5.2. **Enrollment in Plan.**

(a) Except as otherwise set forth herein, in an Offering Document or as determined by the Administrator, an Eligible Employee may become a Participant in this Plan for an Offering Period by delivering a subscription agreement to the Company by such time prior to the Enrollment Date for such Offering Period (or such other date specified in the Offering Document) designated by the Administrator and in such form as the Company provides.

(b) Each such subscription agreement shall designate a whole number percentage of such Eligible Employee’s Compensation to be withheld by the Company or the Designated Subsidiary employing such Eligible

Employee on each payday during the Offering Period as payroll deductions under this Plan. Such payroll deductions may not be less than the minimum amount specified by the Administrator in the applicable Offering Document (which shall be 1% in the absence of any such designation) and may not be greater than the maximum amount specified by the Administrator in the applicable Offering Document (which shall be 15% in the absence

of any such designation). The payroll deductions made for each Participant shall be credited to an account for such Participant under this Plan and shall be deposited with the general funds of the Company.

(c) A Participant may decrease (but not increase) the percentage of Compensation designated in the Participant's subscription agreement (to as low as zero), subject to the limits of this Section 5.2, at any time during an Offering Period; provided, however, that the Administrator may limit the number of times a Participant may decrease the Participant's payroll deduction elections during each Offering Period in the applicable Offering Document (and in the absence of any specific designation by the Administrator, a Participant shall be allowed one decrease (but no increases) to the Participant's payroll deduction elections during each Offering Period with respect to such Offering Period). Any such change of payroll deductions shall be effective with the first full payroll period following 10 business days after the Company's receipt of the new subscription agreement (or such shorter or longer period as may be specified by the Administrator in the applicable Offering Document). If a Participant decreases the Participant's payroll deductions to zero, such Participant's cumulative payroll deductions prior to such decrease shall remain in the Participant's account and shall be applied to the purchase of Shares on the next occurring Purchase Date and shall not be paid to such Participant unless the Participant withdraws from participation in this Plan pursuant to Article VII.

(d) Except as otherwise set forth in Section 5.8 or in an Offering Document, or as determined by the Administrator, a Participant may participate in this Plan only by means of payroll deduction and may not make contributions by lump sum payment for any Offering Period. Notwithstanding any other provisions of this Plan to the contrary, in non-U.S. jurisdictions where participation in this Plan through payroll deductions is prohibited, the Administrator may provide that an Eligible Employee may elect to participate through contributions to the Participant's account under this Plan in a form acceptable to the Administrator in lieu of or in addition to payroll deductions; provided, however, that, for any Offering under the Section 423 Component, any such alternative method of contribution must comply with the requirements of Section 423 of the Code.

5.3. Payroll Deductions. Except as otherwise set forth in Section 5.8 or in an Offering Document, or as determined by the Administrator, payroll deductions for a Participant shall commence on the first payroll following the Enrollment Date and shall end on the last payroll in the Offering Period to which the Participant's authorization is applicable, unless sooner terminated by the Participant as provided in Article VII or suspended by the Participant or the Administrator as provided in Sections 5.2 and 5.6, respectively.

5.4. Effect of Enrollment. A Participant's completion of a subscription agreement will automatically enroll such Participant in this Plan for each subsequent Offering Period on the terms contained therein until the Participant either submits a new subscription agreement, withdraws from participation under this Plan as provided in Article VII or otherwise becomes ineligible to participate in this Plan.

5.5. Limitation on Purchase of Common Stock. An Eligible Employee may be granted rights under the Section 423 Component of this Plan only if such rights, together with any other rights granted to such Eligible Employee under any "employee stock purchase plans" of the Company, any Parent, or any Subsidiary, as specified by Section 423(b)(8) of the Code, do not permit such Eligible Employee's rights to purchase stock of the Company or any Parent or Subsidiary to accrue at a rate that exceeds \$25,000 of the Fair Market Value of such stock (determined as of the first day of the Offering Period during which such rights are granted) for each calendar year in which such rights are outstanding at any time. This limitation shall be applied in accordance with Section 423(b)(8) of the Code.

5.6. Suspension of Payroll Deductions. Notwithstanding the foregoing, with respect to the Section 423 Component, to the extent necessary to comply with Section 423(b)(8) of the Code, Section 5.5 or the other limitations set forth in this Plan, a Participant's payroll deductions may be suspended by the Administrator at any time during an Offering Period. The balance of the amount credited to the account of each Participant that has not been applied to the purchase of Shares by reason of Section 423(b)(8) of the Code, Section 5.5 or the other limitations set forth in this Plan shall be paid to such Participant, without interest, in one lump sum in cash as soon as reasonably practicable after the Purchase Date.

5.7. Foreign Employees. To facilitate participation in this Plan, the Administrator may provide for such special terms applicable to Participants who are citizens or residents of a foreign jurisdiction or who are employed by a Designated Subsidiary outside of the United States, as the Administrator may consider necessary or appropriate to accommodate differences in local law, tax policy or custom. With respect to the Section 423 Component, such special terms may not be more favorable than the terms of rights granted under this Plan to Eligible Employees who are residents of the United States, and must satisfy the requirements for rights to purchase Shares granted pursuant to an "employee stock purchase plan" that are set forth under Section 423 of the Code. Moreover, the Administrator may approve such supplements to, or amendments, restatements, or alternative versions of, this Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of this Plan as in effect for any other purpose. Notwithstanding the foregoing, no such special terms, supplements, amendments or restatements shall include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the stockholders of the Company. Without limiting the foregoing, the Administrator is specifically authorized to adopt rules and procedures, with respect to Participants who are foreign nationals or employed in non-U.S. jurisdictions, regarding the exclusion of particular Subsidiaries from participation in the Plan, eligibility to participate, the definition of Compensation, handling of payroll deductions or other contributions by Participants, payment of interest, conversion of local currency, data privacy security, payroll tax, withholding procedures, and/or establishment of bank or trust accounts to hold payroll deductions or contributions.

5.8. Leave of Absence. During leaves of absence approved by the Company meeting the requirements of Treasury Regulations § 1.421-1(h)(2) under the Code, a Participant may continue participation in this Plan by making cash payments to the Company on the Participant's normal payday equal to the Participant's authorized payroll deduction.

ARTICLE VI. GRANT AND EXERCISE OF RIGHTS

6.1. Grant of Rights. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period pursuant to the terms of the Plan shall be granted a right to purchase, subject to the maximum number of Shares specified under Section 4.2 and the limits in Section 5.5, on each Purchase Date during such Offering Period (at the applicable Purchase Price), a number of whole Shares determined by dividing (a) such Participant's payroll deductions accumulated prior to such Purchase Date and retained in the Participant's account as of the Purchase Date, by (b) the applicable Purchase Price (rounded down to the nearest Share). Such right shall expire on the earliest of: (i) the last Purchase Date of the Offering

Period, (ii) the last day of the Offering Period, and (iii) the date on which the Participant withdraws from participation in the Plan in accordance with Section 7.1 or 7.3.

6.2. Exercise of Rights. On each Purchase Date, each Participant's accumulated payroll deductions and any other additional payments specifically provided for in the applicable Offering Document will be applied to the purchase of whole Shares pursuant to Section 6.1, up to the maximum number of Shares permitted pursuant to the terms of this Plan and the applicable Offering Document, at the Purchase Price. No fractional Shares shall be issued upon the exercise of rights granted under this Plan, unless the Offering Document specifically provides otherwise. Any cash in lieu of fractional Shares remaining after the purchase of whole Shares upon exercise of a purchase right will be carried forward and applied toward the purchase of whole Shares for the immediately subsequent Offering Period. Shares issued pursuant to this Plan may be evidenced in such manner as the Administrator may determine and may be issued in certificated form or issued pursuant to book-entry procedures.

6.3. Pro Rata Allocation of Shares. If the Administrator determines that, on a given Purchase Date, the number of Shares with respect to which rights are to be exercised may exceed (a) the number of Shares that were available for issuance under this Plan on the Enrollment Date of the applicable Offering Period, or (b) the number of Shares available for issuance under this Plan on such Purchase Date, the Administrator may in its sole discretion provide that the Company shall make a pro rata allocation of the Shares available for purchase on such Enrollment Date or Purchase Date, as applicable, in as uniform a manner as shall be practicable and as it shall determine in its sole discretion to be equitable among all Participants for whom rights to purchase Shares are to be exercised pursuant to this Article VI on such Purchase Date, and shall either (i) continue all Offering Periods then in effect or (ii) terminate any or all Offering Periods then in effect pursuant to Article IX. The Company may make a pro rata allocation of the Shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional Shares for issuance under this Plan by the Company's stockholders subsequent to such Enrollment Date. The balance of the amount credited to the account of each Participant that has not been applied to the purchase of Shares shall be paid to such Participant, without interest, in one lump sum in cash as soon as reasonably practicable after the Purchase Date or such earlier date as determined by the Administrator.

6.4. Withholding. At the time a Participant's rights under this Plan are exercised, in whole or in part, or at the time some or all of the Shares issued under this Plan are disposed of, the Participant must make adequate provision for the Company's federal, state, or other tax withholding obligations, if any, that arise upon the exercise of the right or the disposition of the Shares. At any time, the Company may, but shall not be obligated to, withhold from the Participant's compensation the amount necessary for the Company to meet applicable withholding obligations, including, without limitation, any withholding required to make available to the Company any tax deductions or benefits attributable to sale or early disposition of Shares by the Participant.

6.5. Conditions to Issuance of Shares. The Company shall not be required to issue or deliver any certificate or certificates for, or make any book entries evidencing, Shares purchased upon the exercise of rights under this Plan prior to fulfillment of all of the following conditions:

- (a) The admission of such Shares to listing on all stock exchanges, if any, on which the Common Stock is then listed;
- (b) The completion of any registration or other qualification of such Shares under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, that the Administrator shall, in its absolute discretion, deem necessary or advisable;
- (c) The obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable;
- (d) The payment to the Company of all amounts that it is required to withhold under federal, state or local law upon exercise of the rights, if any; and
- (e) The lapse of such reasonable period of time following the exercise of the rights as the Administrator may from time to time establish for reasons of administrative convenience.

ARTICLE VII. WITHDRAWAL; CESSATION OF ELIGIBILITY

7.1. Withdrawal. A Participant may withdraw during an Offering Period all, but not less than all, of the payroll deductions credited to the Participant's account and not yet used to exercise the Participant's rights under this Plan by delivering written notice to the Company in a form acceptable to the Company and at such time prior to the Purchase Date for such Offering Period as may be established by the Administrator in the applicable Offering Document (and in the absence of any specific designation by the Administrator, no later than two weeks prior to the Purchase Date for such Offering Period). All of the Participant's payroll deductions credited to the Participant's account during such Offering Period not yet used to exercise the Participant's rights under this Plan shall be paid to such Participant as soon as reasonably practicable after receipt of notice of withdrawal, without interest, and such Participant's rights for such Offering Period shall be automatically terminated, and no further payroll deductions for the purchase of Shares shall be made for such Offering Period. If a Participant withdraws from an Offering Period, payroll deductions shall not resume at the beginning of the immediately subsequent Offering Period unless the Participant timely delivers to the Company a new subscription agreement pursuant to Section 5.2.

7.2. Future Participation. A Participant's withdrawal from an Offering Period shall not have any effect upon a Participant's eligibility to participate in any similar plan that may hereafter be adopted by the Company or a Designated Subsidiary, or in any subsequent Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

7.3. Cessation of Eligibility. Upon a Participant's ceasing to be an Eligible Employee for any reason, such Participant shall be deemed to have elected to withdraw from this Plan pursuant to this Article VII, and the payroll deductions credited to such Participant's account during the Offering Period shall be paid, without interest, to such Participant or, in the case of the Participant's death, to the person or persons entitled thereto under Section 12.4, as soon as reasonably practicable, and such Participant's rights for the Offering Period shall be automatically terminated. If a Participant transfers employment from the Company or any Designated Subsidiary participating in the Section 423 Component to any Designated Subsidiary participating in

the Non-Section 423 Component, such transfer shall not be treated as a termination of employment, but the Participant shall immediately cease to participate in the Section 423 Component; any contributions made for the Offering Period in which such transfer occurs shall be transferred to the Non-Section 423 Component, and such Participant shall immediately join the then-current Offering under the Non-Section 423 Component upon the same terms and conditions in effect for the Participant's participation in the Section 423 Component, except for such modifications otherwise applicable for Participants in such Offering. A Participant who transfers employment from any Designated Subsidiary participating in the Non-Section 423 Component to the Company or any Designated Subsidiary participating in the Section 423 Component shall not be treated as terminating the Participant's employment and shall remain a Participant in the Non-Section 423 Component until the earlier of (a) the end of the current Offering Period under the Non-Section 423 Component and (b) the Enrollment Date of the first Offering Period in which the Participant is eligible to participate following such transfer. Notwithstanding the foregoing, the Administrator may establish different rules to govern transfers of employment between entities participating in the Section 423 Component and the Non-Section 423 Component, consistent with the applicable requirements of Section 423 of the Code.

ARTICLE VIII. ADJUSTMENTS UPON CHANGES IN STOCK

8.1. Changes in Capitalization. Subject to Section 8.3, if the Administrator determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), change in control, reorganization, merger, amalgamation, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, as determined by the Administrator, affects the Common Stock such that an adjustment is determined by the Administrator to be appropriate to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under this Plan or with respect to any outstanding purchase rights under this Plan, the Administrator shall make equitable adjustments, if any, to reflect such change with respect to (a) the aggregate number and type of Shares (or other securities or property) that may be issued under this Plan (including, but not limited to, adjustments of the limitations in Section 3.1 and the limitations established pursuant to Section 4.2 (as may be modified by the Offering Document) on the maximum number of Shares that may be purchased); (b) the class(es) and number of Shares and price per Share subject to outstanding rights; and (c) the Purchase Price with respect to any outstanding rights.

8.2. Other Adjustments. Subject to Section 8.3, in the event of any transaction or event described in Section 8.1 or any unusual or nonrecurring transactions or events affecting the Company, any affiliate of the Company, or the financial statements of the Company or any affiliate, or of changes in Applicable Law or accounting principles, the Administrator, in its discretion, and on such terms and conditions as it deems appropriate, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate to prevent the dilution or enlargement of the benefits or potential benefits intended to be made available under this Plan or with respect to any right under this Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles:

(a) To provide for either (i) the termination of any outstanding right to purchase Shares granted under this Plan in exchange for an amount of cash, if any, equal to the amount that would have been obtained upon the exercise of such right had such right been currently exercisable or (ii) the replacement of such outstanding right with other rights or property selected by the Administrator in its sole discretion;

(b) To provide that the outstanding rights to purchase Shares granted under this Plan shall be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar rights covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(c) To make adjustments in the number and type of Shares (or other securities or property) subject to outstanding rights to purchase Shares granted under this Plan and/or in the terms and conditions of outstanding rights and rights that may be granted under this Plan in the future;

(d) To provide that Participants' accumulated payroll deductions may be used to purchase Shares prior to the next occurring Purchase Date on such date as the Administrator determines in its sole discretion, and the Participants' rights under the ongoing Offering Period(s) shall be terminated as of such prior purchase date; and/or

(e) To provide that all outstanding rights to purchase Shares granted under this Plan shall terminate without being exercised.

8.3. No Adjustment Under Certain Circumstances. No adjustment or action described in this Article VIII or in any other provision of this Plan shall be authorized to the extent that such adjustment or action would cause the Section 423 Component of this Plan to fail to satisfy the requirements of Section 423 of the Code.

8.4. No Other Rights. Except as expressly provided in this Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in this Plan or pursuant to action of the Administrator under this Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of Shares subject to outstanding rights under this Plan or the Purchase Price with respect to any outstanding rights.

ARTICLE IX. AMENDMENT, MODIFICATION, AND TERMINATION

9.1. Amendment, Modification, and Termination. The Administrator may amend, suspend, or terminate this Plan at any time and from time to time; provided, however, that approval of the Company's stockholders shall be required to amend this Plan to: (a) increase the aggregate number, or change the type, of Shares that may be sold pursuant to rights granted under this Plan under Section 3.1 (other than an adjustment as provided by Article VIII); or (b) change this Plan in any manner that would be considered the adoption of a new plan within the meaning of Treasury Regulations § 1.423-2(c)(4).

9.2. Certain Changes to Plan. Without stockholder consent and without regard to whether any Participant rights may be considered to have been adversely affected, subject to Section 9.1 and, solely with respect to the Section 423 Component of this Plan, to the extent permitted by Section 423 of the Code, the Administrator shall be entitled to change or terminate the Offering Periods, limit the frequency and/or number of changes in the amount withheld from Compensation during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant to adjust for delays or mistakes in the Company's processing of payroll withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as the Administrator determines in its sole discretion to be advisable that are consistent with this Plan.

9.3. Actions In the Event of Unfavorable Financial Accounting Consequences. If the Administrator determines that the ongoing operation of this Plan may result in unfavorable financial accounting consequences, the Administrator may, in its sole discretion and, to the extent necessary or desirable, modify or amend this Plan to reduce or eliminate such accounting consequence including, but not limited to:

- (a) altering the Purchase Price for any Offering Period, including an Offering Period underway at the time of the change in Purchase Price;
- (b) shortening any Offering Period so that the Offering Period ends on a new Purchase Date, including an Offering Period underway at the time of the Administrator action; and
- (c) allocating Shares.

Such modifications or amendments shall not require stockholder approval or the consent of any Participant.

9.4. Termination of Plan. Upon termination of this Plan, the balance in each Participant's Plan account shall be refunded as soon as practicable after such termination, without any interest thereon. Additionally, the Administrator may, in its discretion, shorten the current Offering Period such that the Purchase Date for such Offering Period occurs prior to the termination of the Plan.

ARTICLE X. TERM OF PLAN

This Plan shall be effective on the Effective Date, subject to approval of this Plan by the stockholders of the Company within 12 months before or after the Effective Date. No rights may be granted under this Plan prior to stockholder approval of this Plan. No rights may be granted under this Plan during any period of suspension of this Plan or after termination of this Plan. No rights may be granted under this Plan at any time following the 10th anniversary of the Effective Date.

ARTICLE XI. ADMINISTRATION

11.1. Administrator. Unless otherwise determined by the Board, the Administrator of this Plan shall be the Compensation Committee of the Board (or another committee or a subcommittee of the Board to which the Board delegates administration of this Plan) (such committee, the "Committee"). The Board may at any time vest in the Board any authority or duties for administration of this Plan. The Administrator may delegate administrative tasks under this Plan to the services of a brokerage firm, bank, or other financial institution or Employees to assist in the administration of this Plan, including establishing and maintaining an individual securities account under this Plan for each Participant.

11.2. Authority of Administrator. The Administrator shall have the power, subject to, and within the limitations of, the express provisions of this plan:

- (a) To determine when and how rights to purchase Shares shall be granted and the provisions of each offering of such rights (which need not be identical);
- (b) To designate from time to time which Subsidiaries of the Company shall be Designated Subsidiaries, which designation may be made without the approval of the stockholders of the Company and which such designation shall specify whether the participation is in the Section 423 Component or the Non-Section 423 Component;
- (c) To impose a mandatory holding period pursuant to which Employees may not dispose of or transfer Shares purchased under this Plan for a period of time determined by the Administrator in its discretion;
- (d) To construe and interpret this Plan and any rights granted under it, and to establish, amend, and revoke rules and regulations for its administration, and the Administrator, in the exercise of this power, may correct any defect, omission, or inconsistency in this Plan or any Offering in a manner and to the extent it shall deem necessary or expedient to administer the Plan, subject to Section 423 of the Code for the Section 423 Component;
- (e) To amend, suspend, or terminate this Plan as provided in Article IX; and
- (f) Generally, to exercise such powers and to perform such acts as the Administrator deems necessary or expedient to promote the best interests of the Company and its Designated Subsidiaries and to carry out the intent that the Section 423 Component of this Plan be treated as an "employee stock purchase plan" within the meaning of Section 423 of the Code.

11.3. Decisions Binding. The Administrator's interpretation of this plan, any rights granted pursuant to this Plan, any subscription agreement and all decisions and determinations by the Administrator with respect to this plan are final, binding, and conclusive on all parties.

ARTICLE XII.
MISCELLANEOUS

12.1. Restriction upon Assignment. A right granted under this Plan shall not be transferable other than by will or the Applicable Laws of descent and distribution, and is exercisable during the Participant's lifetime only by the Participant. Except as provided in Section 12.4, a right under this Plan may not be exercised to any extent except by the Participant. The Company shall not recognize and shall be under no duty to recognize any assignment or alienation of the Participant's interest in this Plan, the Participant's rights under this Plan, or any rights thereunder.

12.2. Rights as a Stockholder. With respect to Shares subject to a right granted under this Plan, a Participant shall not be deemed to be a stockholder of the Company, and the Participant shall not have any of the rights or privileges of a stockholder, until such Shares have been issued to the Participant or the Participant's nominee following exercise of the Participant's rights under this Plan. No adjustments shall be made for dividends (ordinary or extraordinary, whether in cash securities, or other property) or distribution or other rights for which the record date occurs prior to the date of such issuance, except as otherwise expressly provided herein or as determined by the Administrator.

12.3. Interest. No interest shall accrue on the payroll deductions or contributions of a Participant under this Plan.

12.4. Designation of Beneficiary.

(a) A Participant may, in the manner determined by the Administrator, file a written designation of a beneficiary who is to receive any Shares and/or cash, if any, from the Participant's account under this Plan in the event of such Participant's death subsequent to a Purchase Date on which the Participant's rights are exercised but prior to delivery to such Participant of such Shares and cash. In addition, a Participant may file a written designation of a beneficiary who is to receive any cash from the Participant's account under this Plan in the event of such Participant's death prior to exercise of the Participant's rights under this Plan. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as the Participant's beneficiary shall not be effective without the prior written consent of the Participant's spouse.

(b) Such designation of beneficiary may be changed by the Participant at any time by written notice to the Company. In the event of the death of a Participant and in the absence of a beneficiary validly designated under this Plan who is living at the time of such Participant's death, the Company shall deliver such Shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such Shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

12.5. Notices. All notices or other communications by a Participant to the Company under or in connection with this Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

12.6. Equal Rights and Privileges. Subject to Section 5.7, all Eligible Employees will have equal rights and privileges under the Section 423 Component of this Plan so that the Section 423 Component of this Plan qualifies as an “employee stock purchase plan” within the meaning of Section 423 of the Code. Subject to Section 5.7, any provision of the Section 423 Component of this Plan that is inconsistent with Section 423 of the Code will, without further act or amendment by the Company, the Board or the Administrator, be reformed to comply with the equal rights and privileges requirement of Section 423 of the Code. Eligible Employees participating in the Non-Section 423 Component need not have the same rights and privileges as other Eligible Employees participating in the Non-Section 423 Component or as Eligible Employees participating in the Section 423 Component.

12.7. Use of Funds. All payroll deductions received or held by the Company under this Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions.

12.8. Reports. Statements of account shall be given to Participants at least annually, which statements shall set forth the amounts of payroll deductions, the Purchase Price, the number of Shares purchased, and the remaining cash balance, if any.

12.9. No Employment Rights. Nothing in this Plan shall be construed to give any person (including any Eligible Employee or Participant) the right to employment with (or to remain in the employ of) the Company or any Parent or Subsidiary thereof or affect the right of the Company or any Parent or Subsidiary thereof to terminate the employment of any person (including any Eligible Employee or Participant) at any time, with or without cause.

12.10. Conformity to Securities Laws. Notwithstanding any other provision of the Plan, the Plan and the participation in the Plan by any individual who is then subject to Section 16 of the Exchange Act shall be subject to any additional limitations set forth in any applicable exemption rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, the Plan shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

12.11. Sections 409A and 457A. The Section 423 Component of the Plan and the rights to purchase Shares granted pursuant to Offerings thereunder are intended to be exempt from the application of Section 409A and Section 457A. Neither the Non-Section 423 Component nor any rights to purchase Shares granted pursuant to an Offering thereunder are intended to constitute or provide for “nonqualified deferred compensation” within the meaning of Section 409A or Section 457A. Notwithstanding any provision of the Plan to the contrary, if the Administrator determines that any right to purchase Shares granted under the Plan may be or become subject to Section 409A or Section 457A or that any provision of the Plan may cause a right to purchase Shares granted under the Plan to be or become subject to Section 409A or Section 457A, the Administrator may adopt such amendments to the Plan and/or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions as the Administrator determines are necessary or appropriate to avoid the imposition of taxes under Section 409A or Section 457A (as applicable), either through compliance with the requirements of Section 409A or Section 457A (as applicable) or with an available exemption therefrom.

12.12. Notice of Disposition of Shares. Each Participant shall give prompt notice to the Company of any disposition or other transfer of any Shares purchased upon exercise of a right under the Section 423 Component of this Plan if such disposition or transfer is made: (a) within two years following the Enrollment Date of the Offering Period in which the Shares were purchased or (b) within one year after the Purchase Date on which such Shares were purchased. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Participant in such disposition or other transfer.

12.13. Governing Law. This Plan and actions taken in connection herewith shall be governed and construed in accordance with the laws of the State of New York, without reference to principles of conflict of laws.

12.14. Electronic Forms. To the extent permitted by Applicable Law and in the discretion of the Administrator, an Eligible Employee may submit any form or notice as set forth herein by means of an electronic form approved by the Administrator. Before the commencement of an Offering Period, the Administrator shall prescribe the time limits within which any such electronic form shall be submitted to the Administrator with respect to such Offering Period to be a valid election.

**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, Brian Webster, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kestra Medical Technologies, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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. [Reserved.];
 - 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 17, 2026

By:

/s/ Brian Webster

Brian Webster
President and Chief Executive Officer

**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, Vaseem Mahboob, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Kestra Medical Technologies, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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. [Reserved.];
 - 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 and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 17, 2026

By:

/s/ Vaseem Mahboob

Vaseem Mahboob
Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Kestra Medical Technologies, Ltd. (the “Company”) on Form 10-Q for the period ended January 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 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 the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 17, 2026

By:

/s/ Brian Webster

Brian Webster
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Kestra Medical Technologies, Ltd. (the “Company”) on Form 10-Q for the period ended January 31, 2026 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 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 the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 17, 2026

By:

/s/ Vaseem Mahboob

Vaseem Mahboob
Chief Financial Officer

