UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended September 30, 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 No.: 001-35527

EMMAUS LIFE SCIENCES, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**87-0419387**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
21250 Hawthorne Boulevard, Suite 800, Torrance, California	**90503**
(Address of principal executive offices)	(Zip code)

(310) 214-0065

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None		

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, smaller reporting company, or an emerging growth company. See the definition 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 ☒

The registrant had 70,188,263 shares of common stock, par value $0.001 per share, outstanding as of November 11, 2026.

EMMAUS LIFE SCIENCES, INC.
For the Quarterly Period Ended September 30, 2026
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Item 1. Financial Statements

EMMAUS LIFE SCIENCES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	As of	
	September 30, 2026	**December 31, 2025**
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 971	$ 2,127
Accounts receivable, net	1,516	2,804
Inventories, net	1,417	1,555
Prepaid expenses and other current assets	777	1,260
Total current assets	4,681	7,746
Property and equipment, net	73	113
Right of use assets	771	766
Investment in convertible bond	10,994	12,604
Investment in equity security	989	—
Other assets	227	207
Total assets	$ 17,735	$ 21,436
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 25,394	$ 22,615
Operating lease liabilities, current portion	401	348
Conversion feature derivative, notes payable	3,247	—
Other current liabilities	15,264	17,565
Warrant derivative liabilities	15	13
Notes payable, current portion, net of discount	5,953	8,019
Notes payable to related parties	5,303	3,132
Convertible notes payable, net of discount	17,309	17,380
Total current liabilities	72,886	69,072
Operating lease liabilities, less current portion	1,194	1,409
Other long-term liabilities	12,115	12,292
Notes payable, less current portion, net of discount	192	—
Notes payable to related parties, net of discount	—	2,271
Total liabilities	86,387	85,044
Commitments and contingent liabilities (Note 11)		
STOCKHOLDERS' DEFICIT		
Preferred stock, par value $0.001 per share, 15,000,000 shares authorized, none issued or outstanding	—	—
Common stock, par value $0.001 per share, 250,000,000 shares authorized, 70,188,263 shares issued and outstanding at September 30, 2026 and December 31, 2025	70	70
Additional paid-in capital	225,988	225,987
Net loan receivable from EJ Holdings	(16,869)	(16,869)
Accumulated other comprehensive loss	(1,037)	(2,729)
Accumulated deficit	(276,804)	(270,067)
Total stockholders' deficit	(68,652)	(63,608)
Total liabilities and stockholders' deficit	$ 17,735	$ 21,436

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

EMMAUS LIFE SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(In thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
REVENUES, NET	$ 1,892	$ 3,378	$ 10,192	$ 8,601
COST OF GOODS SOLD	369	247	881	622
GROSS PROFIT	1,523	3,131	9,311	7,979
OPERATING EXPENSES				
Research and development	58	50	214	282
Selling	353	655	1,593	1,975
General and administrative	1,481	1,731	4,905	6,377
Total operating expenses	1,892	2,436	6,712	8,634
INCOME (LOSS) FROM OPERATIONS	(369)	695	2,599	(655)
OTHER INCOME (EXPENSE)				
Loss on debt extinguishment	—	(296)	(76)	(672)
Change in fair value of investments in equity security	409	—	(11)	—
Change in fair value of warrant derivative liabilities	(12)	2	(2)	(3)
Change in fair value of conversion feature derivative, notes payable	(3,238)	—	(3,247)	162
Realized loss on investment in convertible bond	—	—	(733)	(531)
Gain on lease modification	—	—	—	861
Foreign exchange gain (loss)	288	(32)	167	(50)
Interest and other income (net)	50	65	160	205
Interest expense	(1,865)	(1,931)	(5,587)	(4,865)
Total other expense	(4,368)	(2,192)	(9,329)	(4,893)
LOSS BEFORE INCOME TAXES	(4,737)	(1,497)	(6,730)	(5,548)
Income tax provision (benefit)	4	579	7	(7)
NET LOSS	(4,741)	(2,076)	(6,737)	(5,541)
COMPONENTS OF OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gain (loss) on debt securities available for sale (net of tax)	2,303	(1,734)	1,085	2,175
Reclassification adjustment for loss included in net income	—	—	618	354
Foreign currency translation adjustments	(38)	14	(11)	(15)
Other comprehensive income (loss)	2,265	(1,720)	1,692	2,514
COMPREHENSIVE LOSS	$ (2,476)	$ (3,796)	$ (5,045)	$ (3,027)
NET LOSS PER COMMON SHARE - BASIC AND DILUTED	$ (0.07)	$ (0.03)	$ (0.10)	$ (0.09)
WEIGHTED-AVERAGE COMMON SHARES OUTSTANDING BASIC AND DILUTED	70,188,263	63,865,571	70,188,263	63,865,571

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

EMMAUS LIFE SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(In thousands, except share amounts)
(Unaudited)

	Common stock		Additional paid-in	Net loan receivable from	Accumulated other comprehensive	Accumulated	Total stockholders'
	Shares	Amount	capital	EJ Holdings	income (loss)	deficit	deficit
Balance, January 1, 2026	70,188,263	$ 70	$ 225,987	$ (16,869)	$ (2,729)	$ (270,067)	$ (63,608)
Share-based compensation	—	—	1	—	—	—	1
Unrealized loss on debt securities available for sale (net of tax)	—	—	—	—	(940)	—	(940)
Foreign currency translation effect	—	—	—	—	22	—	22
Net loss	—	—	—	—	—	(3,335)	(3,335)
Balance, March 31, 2026	70,188,263	70	225,988	(16,869)	(3,647)	(273,402)	(67,860)
Unrealized loss on debt securities available for sale (net of tax)	—	—	—	—	(278)	—	(278)
Reclassification of realized loss on investment in convertible bond included in net loss	—	—	—	—	618	—	618
Foreign currency translation effect	—	—	—	—	5	—	5
Net income	—	—	—	—	—	1,339	1,339
Balance, June 30, 2026	70,188,263	70	225,988	(16,869)	(3,302)	(272,063)	(66,176)
Unrealized gain on debt securities available for sale (net of tax)	—	—	—	—	2,303	—	2,303
Foreign currency translation effect	—	—	—	—	(38)	—	(38)
Net loss	—	—	—	—	—	(4,741)	(4,741)
Balance, September 30, 2026	70,188,263	$ 70	$ 225,988	$ (16,869)	$ (1,037)	$ (276,804)	$ (68,652)

EMMAUS LIFE SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT
(In thousands, except share amounts)
(Unaudited)

	Common stock		Additional paid-in	Net loan receivable from	Accumulated other comprehensive	Accumulated	Total stockholders'
	Shares	Amount	capital	EJ Holdings	income (loss)	deficit	deficit
Balance, January 1, 2025	63,865,571	$ 64	$ 225,896	$ (16,869)	$ (2,995)	$ (262,575)	$ (56,479)
Share-based compensation	—	—	10	—	—	—	10
Unrealized gain on debt securities available for sale (net of tax)	—	—	—	—	194	—	194
Foreign currency translation effect	—	—	—	—	4	—	4
Net loss	—	—	—	—	—	(2,330)	(2,330)
Balance, March 31, 2025	63,865,571	64	225,906	(16,869)	(2,797)	(264,905)	(58,601)
Share-based compensation	—	—	(1)	—	—	—	(1)
Unrealized gain on debt securities available for sale (net of tax)	—	—	—	—	3,715	—	3,715
Reclassification of realized loss on investment in convertible bond included in net loss	—	—	—	—	354	—	354
Foreign currency translation effect	—	—	—	—	(33)	—	(33)
Net loss	—	—	—	—	—	(1,135)	(1,135)
Balance, June 30, 2025	63,865,571	64	225,905	(16,869)	1,239	(266,040)	(55,701)
Share-based compensation	—	—	9	—	—	—	9
Unrealized loss on debt securities available for sale (net of tax)	—	—	—	—	(1,734)	—	(1,734)
Foreign currency translation effect	—	—	—	—	14	—	14
Net loss	—	—	—	—	—	(2,076)	(2,076)
Balance, September 30, 2025	63,865,571	$ 64	$ 225,914	$ (16,869)	$ (481)	$ (268,116)	$ (59,488)

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

EMMAUS LIFE SCIENCES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (6,737)	$ (5,541)
Adjustments to reconcile net loss to net cash flows used in operating activities		
Depreciation and amortization	42	24
Amortization of discount of notes payable and convertible notes payable	307	369
Foreign exchange adjustments	(23)	139
Tax benefit recognized on unrealized gain on debt securities	—	(13)
Realized loss on investment in convertible bond	733	531
Loss on debt extinguishment	76	672
Gain on lease modification	—	(861)
Share-based compensation	1	18
Change in fair value of investments in equity security	11	—
Change in fair value of warrant derivative liabilities	2	3
Change in fair value of conversion feature derivative, notes payable	3,247	(162)
Net changes in operating assets and liabilities		
Accounts receivable	1,288	4
Inventories	137	428
Prepaid expenses and other current assets	483	460
Other non-current assets	(4)	333
Accounts payable and accrued expenses	2,759	4,878
Other liabilities	(2,495)	(2,682)
Operating lease liabilities	(150)	(820)
Net cash flows used in operating activities	(323)	(2,220)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of convertible bond	2,580	2,172
Purchases of property and equipment	(2)	(1)
Purchase of intangible asset	(15)	—
Purchase of equity security	(1,000)	—
Net cash flows provided by investing activities	1,563	2,171
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable issued	1,796	4,562
Payments of notes payable	(4,037)	(5,175)
Payments of notes payable, related party	(108)	(240)
Payments of convertible notes	(56)	(210)
Net cash flows used in financing activities	(2,405)	(1,063)
Effect of exchange rate changes on cash	9	16
Net decrease in cash and cash equivalents	(1,156)	(1,096)
Cash and cash equivalents, beginning of period	2,127	1,389
Cash and cash equivalents, end of period	$ 971	$ 293
SUPPLEMENTAL DISCLOSURES OF CASH FLOW ACTIVITIES		
Interest paid	$ 1,914	$ 1,650
Income taxes paid	$ 2	$ 14
Equipment purchased but included in accounts payable	$ —	$ 105

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

EMMAUS LIFE SCIENCES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 — BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated interim financial statements of Emmaus Life Sciences, Inc., ("Emmaus") and its direct and indirect consolidated subsidiaries (collectively, "we," "our," "us" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") on the basis that the Company will continue as a going concern. All significant intercompany transactions have been eliminated. The Company's unaudited condensed consolidated interim financial statements contain adjustments, including normal recurring accruals necessary to fairly state the Company's consolidated financial position, results of operations and cash flows. The condensed consolidated interim financial statements should be read in conjunction with the Annual Report on Form 10-K for the year ended December 31, 2025 (the "Annual Report") filed with the Securities and Exchange Commission ("SEC") on March 31, 2026. The accompanying condensed consolidated balance sheet at December 31, 2025 has been derived from the audited consolidated balance sheet at December 31, 2025 contained in the Annual Report. The results of operations for the three and nine months ended September 30, 2026 are not necessarily indicative of the results to be expected for the full year or any future interim period.

Nature of Operations

The Company is a commercial-stage biopharmaceutical company engaged in the discovery, development, marketing and sales of innovative treatments and therapies, primarily for rare and orphan diseases. The Company's only product, Endari® (prescription grade L-glutamine oral powder), is approved by the U.S. Food and Drug Administration, or FDA, and in certain jurisdictions in the Middle East North Africa, or MENA, region to reduce the acute complications of sickle cell disease ("SCD") in adult and pediatric patients five years of age and older.

In December 2025, the Company entered into a License and Exclusive Distribution Agreement, or License Agreement, with NeoImmuneTech, Inc., or NIT, which became effective on May 15, 2026 (the "Effective Date"), pursuant to which the Company granted NIT an exclusive license to the Company's rights to market, sell, and distribute Endari® and any generic equivalents the Company may develop in sickle cell disease, or the Field, in the U.S. and its territories and possessions and Canada, or the Territory, in exchange for an upfront cash payment, a double digit percentage royalty on NIT's sales of the licensed products and a double digit percentage of any NIT sublicenses of rights to the products. The Company agreed in the License Agreement to use a portion of the upfront payment payable upon the Effective Date to subscribe to purchase shares of NIT capital stock.

In connection with the License Agreement, the Company and NIT entered into an Exclusive Supply Agreement, or Supply Agreement, pursuant to which the Company agrees to supply exclusively to NIT, and NIT agrees, subject to certain exceptions, to purchase exclusively from the Company all NIT's requirements for the products in the Field in the Territory at a purchase price based upon the cost of production plus a specified double digit percentage margin.

Prior to the Effective Date, NIT hired selected members of the Company's U.S. sales force and the Company entered into a sales services agreement with NIT under which it rendered sales and marketing services for Endari® in the Field in the Territory in exchange for the payment of quarterly fees in the low-to-mid six figures. The Company continued to realize all revenues from sales of Endari® in the Territory prior to the Effective Date.

Under the License Agreement, each party is entitled to make improvements to the licensed products and to own their respective improvements, subject to the grant of appropriate cross-rights to any such improvements. The Company retains all rights in the licensed products outside the Field and outside the Territory.

NIT has no experience in marketing brand name or generic pharmaceuticals in the U.S. or elsewhere, and there is no assurance that it will be able to successfully market and distribute Endari® or other licensed products.

For the foregoing reasons, the Company's historical results of operations are unlikely to be an indication of the future performance.

Endari® is reimbursable by the Centers for Medicare and Medicaid Services, and every state provides coverage for Endari® for outpatient prescriptions to all eligible Medicaid enrollees within their state Medicaid programs. Endari® is also reimbursable by many commercial payors. Prior to the Effective Date, the Company had agreements in place with the nation's leading distributors, as well as physician group purchasing organizations and pharmacy benefits managers, making Endari® available at selected retail and specialty pharmacies nationwide some of which were assigned and assumed by NIT in connection with the Effective Date of the License

Agreement. Following the Effective Date of the License Agreement with NIT, our revenues from U.S. operations will depend upon sales of Endari® to NIT under the Supply Agreement and on royalties from NIT's sales of Endari® in the Territory.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 2, "Summary of Significant Accounting Policies," in the Annual Report. There have been no material changes in these policies or their application except for updates to revenue recognition and investment in equity security accounting policies resulting from the execution of the licensing agreement with NIT.

Going concern — The accompanying unaudited condensed consolidated financial statements have been prepared on the basis that the Company will continue as a going concern. The Company incurred a net loss of $6.7 million for the nine months ended September 30, 2026 and had a working capital deficit of $68.2 million as of September 30, 2026. The Company's existing cash balance and anticipated cash flows from operations are insufficient to fund its current obligations over the next 12 months from the issuance date of these financial statements including working capital needs, current debt obligations and the expected operational costs relating to the commercialization of Endari® in the MENA region and elsewhere. To address the Company's liquidity needs, the Company will need to restructure or refinance its existing indebtedness and raise additional funds through related-party loans, third-party loans, equity or debt financings or licensing or other strategic agreements. The Company has no understanding or arrangement for any restructuring, refinancing, or financing, and there can be no assurance that the Company will be able to restructure or refinance its existing indebtedness or obtain additional related-party or third-party loans or complete any additional equity or debt financings on favorable terms, or at all, or enter into licensing or other strategic arrangements. Because the Company's existing cash balance and anticipated cash flows cannot satisfy its current debt and ongoing obligations, combined with the uncommitted nature of the Company's financing plans, there is substantial doubt about the Company's ability to continue as a going concern for 12 months from the date that these condensed consolidated financial statements are issued. The condensed consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Principles of consolidation — The consolidated financial statements include the accounts of the Company and its EMI Holding, Inc. subsidiary, EMI Holding's wholly-owned subsidiary, Emmaus Medical Inc., and Emmaus Medical, Inc's wholly-owned subsidiaries. All significant intercompany transactions have been eliminated.

Estimates — Financial statements prepared in accordance with GAAP require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by management include those relating to revenue recognition on product sales, the variables used to calculate the valuation of investment in convertible bond, stock options, conversion feature derivative and warrants, and estimated accruals on an ongoing basis. The Company bases its estimates on historical experience and on various other assumptions that management believes to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions. To the extent there are material differences between these estimates and actual results, the Company's financial statements will be affected.

Revenue recognition — Since the Effective Date of the NIT License Agreement, the Company realizes ongoing net revenues primarily from sales of Endari® to NIT and royalties from NIT's sales of Endari® under the NIT Supply Agreement and the License Agreement and direct sales of Endari® to distributors in MENA region. NIT and the Company's distributors sell or resell Endari® to pharmacy and specialty pharmacy providers, health care providers, hospitals, and clinics. In addition to agreements with these distributors, prior to the Effective Date of the NIT License Agreement, the Company had contractual arrangements with specialty pharmacy providers, in-office dispensing providers, physician group purchasing organizations, pharmacy benefits managers and government entities that provide for government-mandated or privately negotiated rebates, chargebacks and discounts with respect to the purchase of Endari®. These various discounts, rebates, and chargebacks are referred to as "variable consideration." Revenues from direct product sales are recorded net of variable consideration.

Under ASC 606 *Revenue from Contracts with Customers*, the Company recognizes revenue when its customers obtain control of the Company's product, which typically occurs on delivery. Revenue is recognized in an amount that reflects the consideration that the Company expects to receive in exchange for the product, or transaction price. To determine revenue recognition for contracts with customers within the scope of ASC 606, the Company performs the following 5 steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the Company's performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies the relevant performance obligations.

Revenue from direct product sales is recorded at the transaction price, net of estimates for variable consideration consisting of sales discounts, returns, government rebates, chargebacks and commercial discounts. Variable consideration is estimated using the expected-value amount method, which is the sum of probability-weighted amounts in a range of possible transaction prices. Actual

variable consideration may differ from the Company's estimates. If actual results vary from the Company's estimates, the Company adjusts the variable consideration in the period such variances become known, which would affect net revenues in that period. The following are our significant categories of variable consideration:

Sales Discounts: The Company provides its customers with prompt payment discounts that are recorded as a reduction of revenues in the period the revenues are recognized.

Product Returns: The Company offers distributors the right to return product purchased principally based upon (i) overstocks, (ii) inactive product or non-moving product due to market conditions, and (iii) expired products. Product return allowances are estimated and recorded at the time of sale.

Government Rebates: The Company is subject to discount obligations under state Medicaid programs and the Medicare Part D prescription drug coverage gap program. Management estimates Medicaid and Medicare Part D prescription drug coverage gap rebates based upon a range of possible outcomes that are probability-weighted for the estimated payor mix. These reserves are recorded in the period in which the related revenues are recognized, resulting in a reduction of product revenues and the establishment of a current liability that is included in accounts payable and accrued expenses on the condensed consolidated balance sheets. The liability for these rebates consists primarily of estimates of claims expected to be received in future periods related to recognized revenues.

Chargebacks and Discounts: Chargebacks for fees and discounts represent the estimated obligations resulting from contractual commitments to sell products to certain specialty pharmacy providers, in-office dispensing providers, group purchasing organizations, and government entities at prices lower than the list prices charged to distributors. The distributors charge the Company for the difference between what they pay for the products and the Company’s contracted selling price to these specialty pharmacy providers, in-office dispensing providers, group purchasing organizations, and government entities. In addition, the Company has contractual agreements with pharmacy benefit managers who charge us for rebates and administrative fees in connection with the utilization of product. These reserves are established in the same period that the related revenues are recognized, resulting in a reduction of revenues. Chargeback amounts are generally determined at the time of resale of products by the distributors.

Under the Licensing Agreement with NIT, revenue is recognized in three primary streams: upfront fees, royalties and product supply.

Upfront Fees: The Company allocated the total transaction price under the License Agreement and the Supply Agreement to the Company's performance obligations thereunder based on the relative standalone selling prices. The performance obligations were determined to be (a) delivery of 3,000 cartons of Endari® free of charge at the Effective Date, and (b) combined performance obligation consisting of an exclusive license to commercialize Endari® in the Territory, the exclusive supply of Endari®, and ongoing regulatory support necessary to maintain commercialization right. Revenue associated with the 3,000 cartons was recognized when control, title and possession of the inventory transferred to NIT. Revenue for this combined obligation is recognized ratably over the estimated period of performance, which represents the Company's best estimate of the period over which the progress of satisfying the obligation occurs. Unearned upfront fees are reflected as deferred revenue on the condensed consolidated balance sheets.

Royalties: The Company recognizes sales-based royalty revenues when subsequent sales of the licensed product by NIT occur, in accordance with the ASC 606 royalty practical expedient, provided the underlying performance obligation has been satisfied or partially satisfied.

Product Supply: The Supply Agreement provides for the Company's exclusive commercial supply of Endari® to NIT. The Company assessed whether this exclusive supply option provides a material right to the licensee that it would not receive without entering into the contract. Because the pricing for the future exclusive product supply reflects standalone selling prices, the Company determined that the option does not provide a material right. Consequently, the exclusive future supply is not accounted for as a separate performance obligation at contract inception, but rather as a marketing option. Revenues from future exclusive product supply will be recognized at a point in time when control of Endari® transfers to NIT.

Accounts receivable — Accounts receivable balances are primarily attributable to product sales to distributors and other customers. Each reporting period, the Company evaluates the collectability of outstanding receivable balances and records an allowance for credit loss based on an estimate of current expected credit loss. The estimate is based on historical experience, customer creditworthiness, facts and circumstances specific to outstanding balances and payment terms. Provisions are made based upon a specific review of all significant outstanding invoices and the quality and age of those invoices. As of September 30, 2026 and December 31, 2025, the Company recorded no valuation allowances. The Company believes the credit risks associated with its customers are not significant.

Inventories — Inventories consist of raw materials, finished goods and work-in-process and are valued on a first-in, first-out basis at the lower of cost or net realizable value. Work-in-process inventories consist of L-glutamine for the Company’s products that has not

yet been packaged and labeled for sale. The Company periodically reviews its inventory and provides for potential obsolescence based on its assessment of market conditions and anticipated demand. Substantially all raw materials purchased during the nine months ended September 30, 2026 and the year ended December 31, 2025 were supplied, directly or indirectly by one supplier.

Share-based compensation — The Company recognizes compensation cost for share-based compensation awards during the service term of the recipients of the share-based awards. The fair value of share-based compensation is calculated using the Black-Scholes-Merton pricing model. The Black-Scholes-Merton model requires subjective assumptions regarding future stock price volatility and expected time to exercise, which greatly affect the calculated values. The expected term of awards granted is calculated using the simplified method. The risk-free rate selected to value any grant is based on the U.S. Treasury rate on the grant date that corresponds to the expected term of the award.

Investment in equity security — The Company has measured its investments in equity securities that do not result in consolidation and are not accounted for under the equity method at fair value, and the change in fair value is reported in the condensed consolidated statements of operations for each reporting period. The Company uses quoted market prices to determine the fair value of equity securities with readily determinable fair value. Contractual lock up restrictions are considered entity-specific attributes under ASC 820 and is not reflected as an adjustment to the quoted market used in measuring the fair value.

Investment in convertible bond — The Company has measured its investment in a convertible bond at fair value. The convertible bond is classified as available for sale and the changes in fair value are reported in other comprehensive income (loss) for each reporting period.

Financial instruments — Financial instruments included in the financial statements are comprised of cash and cash equivalents, investment in equity security, investment in convertible bond, accounts receivable, warrant derivative liabilities, accounts payable, certain accrued liabilities, convertible notes payable, notes payable, conversion feature liabilities and other contingent liabilities.

Fair value measurements — The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in accordance with ASC 820. The Company measures fair value under a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability; and

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 inputs must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The carrying values of cash and cash equivalents, accounts receivables, other current assets, accounts payable and accrued expenses, and other current liabilities approximate fair value due to the short-term maturity of those instruments.

The investment in equity security is measured at fair value using Level 1. The investment in convertible bond, conversion feature derivative and certain outstanding warrants that contain price adjustment provision are remeasured at fair value on a recurring basis using Level 3 inputs. The level 3 inputs in the valuation and valuation methods used are discussed in Note 5, 7 and 8. There are no other assets or liabilities measured at fair value on a recurring basis.

Derivative liability — The Company evaluates its financial instruments including convertible notes to determine if such instruments

are derivatives or contain features that qualify as embedded derivatives in accordance with ASC 815. The Company applies significant judgment to identify and evaluate terms and conditions in these contracts and agreements to determine whether embedded derivative exists. If all the requirements for bifurcation are met, embedded derivatives are separately measured from the host contract. Bifurcated embedded derivatives are initially recorded at fair value and then remeasured at each reporting period, with change in fair value recognized in the condensed consolidated statements of operations.

Net loss per share — The basic net loss per common share is computed by dividing net loss available to common stockholders by the weighted-average number of common shares outstanding. Dilutive net loss per share is computed in a similar manner, except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. The following shares were not included in diluted shares because the effect would be anti-dilutive (in shares).

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Stock options	3,262,860	4,640,337	3,944,867	4,671,438
Warrants	1,000,000	2,847,663	1,000,000	3,952,784
Convertible notes	129,811,737	136,134,429	129,811,737	136,134,429
Total anti-dilutive instrument	134,074,597	143,622,429	134,756,604	144,758,651

Segment reporting—The Company operates and manages its business as a single reportable segment primarily for the marketing and sales of Endari®. In accordance with ASC 280, *"Segment Reporting,"* the determination of a single business segment is consistent with the consolidated financial information regularly provided to the Company's chief operating decision maker ("CODM").

The Company's CODM is its Chief Executive Officer, who reviews and evaluates consolidated income or loss from operations for purposes of evaluating performance, making operating decisions, allocating resources, and planning and forecasting for future periods. The significant components of consolidated income or loss from operations regularly provided to the CODM include revenues, net and the significant expense categories presented in the accompanying consolidated statements of operations and comprehensive loss (*i.e.*, cost of goods sold, research and development, selling, and general and administrative expenses). These are presented at the consolidated level and used by the CODM to monitor budgeted versus actual results to make key operating decisions. The information and operating expense categories presented in the accompanying consolidated statements of operations and comprehensive loss are fully reflective of the significant expense categories and amounts that are regularly provided to the CODM.

The measure of segment assets that is regularly reported to the CODM includes cash and cash equivalent and accounts receivable, net, each as reported on the consolidated balance sheets.

Prior period adjustment—The Company has revised the potential dilutive shares and the shares underlying note disclosure for the prior periods presented to reflect limitation under the agreements. This revision had no impact on previously reported net loss per share or any other line item within the condensed consolidated financial statements.

Recent accounting pronouncement —Management has considered all recent accounting pronouncements and determined that they will not have a material effect on the Company’s condensed consolidated financial statements except for the following:

In November 2024, the FASB issued *ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires disaggregated disclosures in the notes of the financial statements of certain categories of expenses that are included in expense line items on the face of the income statement. This ASU is effective for annual periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is evaluating the impact adopting the guidance will have on the Company's consolidated financial statements and disclosures.

NOTE 3 — REVENUES, NET

Revenues, net by category were as follows (in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026		2025		2026		2025	
Endari® - US	$ 1,333	70%	$ 2,122	63%	$ 8,710	85%	$ 6,500	76%
Endari® - International	542	29%	1,234	36%	1,420	14%	1,906	22%
Other	17	1%	22	1%	62	1%	195	2%
Revenues, net	$ 1,892	100%	$ 3,378	100%	$ 10,192	100%	$ 8,601	100%

The following table summarizes the revenue allowance and accrual activities for the nine months ended September 30, 2026 and September 30, 2025 (in thousands):

	Trade Discounts, Allowances and Chargebacks	Government Rebates and Other Incentives	Returns	Total
Balance as of January 1, 2026	$ 1,029	$ 8,129	$ 178	$ 9,336
Provision related to sales in the current year	208	751	31	990
Adjustments related to prior period sales	(7)	(6)	—	(13)
Credits and payments made	(423)	(664)	—	(1,087)
Balance as of September 30, 2026	$ 807	$ 8,210	$ 209	$ 9,226
Balance as of January 1, 2025	$ 1,135	$ 6,812	$ 138	$ 8,085
Provision related to sales in the current year	589	2,306	81	2,976
Adjustments related to prior period sales	(2)	32	—	30
Credits and payments made	(741)	(1,349)	(70)	(2,160)
Balance as of September 30, 2025	$ 981	$ 7,801	$ 149	$ 8,931

The following table summarizes revenues attributable to each of the customers that accounted for 10% or more of our net revenues in any of the periods shown:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Customer A	68%	—	59%	—
Customer B	6%	9%	5%	13%
Customer C	5%	12%	5%	12%
Customer D	10%	14%	8%	15%
Customer E	6%	21%	6%	25%

On June 15, 2017, the Company entered into a distributor agreement with Telcon RF Pharmaceutical, Inc., or Telcon, pursuant to which it granted Telcon exclusive rights to the Company's prescription grade L-glutamine ("PGLG") oral powder for the treatment of diverticulosis in South Korea, Japan and China in exchange for Telcon's payment of a $10.0 million upfront fee and agreement to purchase from the Company specified minimum quantities of the PGLG. Telcon had the right to terminate the distributor agreement in certain circumstances for failure to obtain such product registrations, in which event the $10 million upfront fee would become repayable to Telcon. In January 2023, Telcon terminated the distributor agreement, and the upfront fee of $10.0 million is included in other current liabilities as of September 30, 2026 and December 31, 2025. See Notes 5, 6 and 11 for additional details of the Company's agreements with Telcon.

In December 2025, the Company entered into a license and exclusive distribution agreement to NIT in which the Company granted NIT an exclusive license to sell the Company's rights to market, sell, and distribute Endari® and any generic equivalents, or the Product in sickle cell disease in the U.S. and Canada. As the agreement became effective on May 15, 2026, the Company transferred 3,000 cartons of Endari®, and received remaining upfront fee, of which $4.6 million was recognized as Endari® - US revenues on the Effective Date and remaining balance will be amortized over 3 years. As of September 30, 2026, $1.2 million and $1.9 million of unearned revenue is included in other current liabilities and other long term liabilities, respectively. As of December 31, 2025, $3.0 million was included in unearned revenue in other current liabilities.

The Company recognized royalty fee of approximately $550,000 and $698,000 as Endari® - US revenues for the three and nine months ended September 30, 2026, respectively. No royalty fees were recognized for the three and nine months ended September 30, 2025.

NOTE 4 — SELECTED FINANCIAL STATEMENT — ASSETS

Inventories consisted of the following (in thousands):

	As of September 30, 2026	As of December 31, 2025
Raw materials and components	$ 1,264	$ 1,264
Work-in-process	20	26
Finished goods	229	5,343
Inventory reserve	(96)	(5,078)
Total inventories	$ 1,417	$ 1,555

For the three and the nine months ended September 30, 2026, the Company disposed of $5.0 million previously reserved expired products. For the three and the nine months ended September 30, 2025, the Company did not write off any inventory reserve.

Prepaid expenses and other current assets consisted of the following (in thousands):

	As of September 30, 2026	As of December 31, 2025
Prepaid insurance	$ 201	$ 529
Prepaid expenses	247	372
Other current assets	329	359
Total prepaid expenses and other current assets	$ 777	$ 1,260

Property and equipment consisted of the following (in thousands):

	As of September 30, 2026	As of December 31, 2025
Equipment	$ 427	$ 423
Leasehold improvements	16	16
Furniture and fixtures	30	30
Total property and equipment	473	469
Less: accumulated depreciation	(400)	(356)
Total property and equipment, net	$ 73	$ 113

For the three months ended September 30, 2026 and 2025, depreciation expense was approximately $14,000 and $15,000, respectively. For the nine months ended September 30, 2026 and 2025, depreciation expense was approximately $42,000 and $24,000, respectively.

NOTE 5 — INVESTMENTS

Investment in equity security — On June 10, 2026, the Company entered into a share subscription agreement with NIT pursuant to which the Company agreed to use $1.0 million of upfront fee paid under the License Agreement to subscribe for newly issued shares of NIT, which are listed for trading on the Korean Stock Exchange. On June 18, 2026, NIT issued 136,792 shares of NIT to the Company. Under the agreement, these shares are contractually restricted from trading for one year from the issuance date. In June 2026, NIT undertook a stock split at rate of 5 for 1.

The Company accounts for this investment as an equity security with readily determinable fair value under ASC 321. The investment is carried at fair value in investment in equity security on the condensed consolidated balance sheet. As of September 30, 2026, the fair value of the investment was $1.0 million. For the three and nine months ended September 30, 2026, the Company recognized an unrealized gain of $0.4 million and an unrealized loss of $11,000, respectively, included in the change in fair value of investment in equity security in the condensed consolidated statements of operations.

Investment in convertible bond — On September 28, 2020, the Company entered into a convertible bond purchase agreement pursuant to which it purchased at face value a convertible bond of Telcon in the principal amount of approximately $26.1 million which matures on October 16, 2030 and bears interest at the rate of 2.1% per year, payable quarterly. Beginning October 16, 2021, the

Company became entitled on a quarterly basis to call for early redemption of all or any portion of the principal amount of the convertible bond. The convertible bond is convertible at the holder's option at any time and from time to time into common shares of Telcon at an initial conversion price of KRW9,232, or approximately US$8.00 per share. The initial conversion price is subject to downward adjustment on a monthly basis based on the volume-weighted average market price of Telcon shares as reported on Korean Securities Dealers Automated Quotations Market and in the event of the issuance of Telcon shares or share equivalents at a price below the market price of Telcon shares and to customary antidilution adjustments upon a merger or similar reorganization of Telcon or a stock split, reverse stock split, stock dividend or similar event. On December 30, 2024, Telcon undertook a reverse stock split at a rate of 1-for-10. On August 5, 2025 Telcon issued new shares below under market price and on August 25, 2025, Telcon issued a bonus issue with the issue price deemed to be KRW zero, triggered a conversion price adjustment. On June 6, 2026, Telcon undertook capital reduction, which resulted in a tenfold reduction in the conversion price. The conversion price as of September 30, 2026 is set forth in the "Investment in convertible bond" table below. The convertible bond and any proceeds therefrom, including proceeds from any exercise of the early redemption right described above or the call option described below, are pledged as collateral to secure the Company's obligations under the revised API Supply Agreement with Telcon described in Notes 6 and 11.

Concurrently with the purchase of the convertible bond, the Company entered into an agreement dated September 28, 2020 with Telcon pursuant to which Telcon or its designee is entitled to repurchase, at par, up to 50% of the principal amount of the convertible bond at any time and from time to time commencing October 16, 2021 and prior to maturity.

The investment in convertible bond is classified as an available for sale security since management does not have intention to trade nor held until maturity, and measured at fair value on a recurring basis using Level 3 inputs, with any changes in the fair value recorded in other comprehensive loss. The fair value of, and any changes in fair value of, the convertible bond are determined using a binomial lattice model. The model produces an estimated fair value based on changes in the price of the underlying common stock over successive periods of time.

The revised API agreement with Telcon described in Note 6 provides for target annual revenue of more than $5.0 million and annual "profit" (*i.e*., sales margin) to Telcon of $2.5 million. To the extent these targets are not met, which management refers to as a "target shortfall," Telcon may be entitled to payment of the target shortfall or to settle the target shortfall by exchange of principal and interest on the Telcon convertible bond and proceeds thereof that are pledged as collateral to secure the Company's obligations under the API Supply Agreement and the revised API Agreement.

In April 2025, Telcon offset KRW3.1 billion, or approximately $2.1 million, against the principal amount of the Telcon convertible bond and the Company released KRW49 million, or approximately $34,000, in cash proceeds to Telcon in satisfaction of the target shortfall for the year ended 2024. As a result, the Company realized a net loss on investment in convertible bond of $531,000, which previously was classified as unrealized gain on debt securities available-for-sale in the other comprehensive loss

In April 2026, Telcon offset KRW3.8 billion, or approximately $2.6 million, against the principal amount of the Telcon convertible bond and the Company released KRW 1,281 million, or approximately $870,000, in cash proceeds to Telcon in satisfaction of the target shortfall for the year ended 2025. As a result, the Company realized a net loss on investment in convertible bond of $733,000, which previously was classified as unrealized gain on debt securities available-for-sale in the other comprehensive loss.

The following table sets forth the fair value as of September 30, 2026 and December 31, 2025, and the change in fair value in the nine months ended September 30, 2026 (in thousands):

Investment in convertible bond	**September 30, 2026**	**December 31, 2025**
Balance, beginning of period	$ 12,604	$ 15,037
Sales of convertible bond	(2,580)	(2,172)
Net loss on investment in convertible bond	(115)	(177)
Change in fair value included in the statement of other comprehensive loss	1,085	(84)
Balance, end of period	$ 10,994	$ 12,604

The fair values as of September 30, 2026 and December 31, 2025 were based upon following assumptions:

	September 30, 2026	December 31, 2025
Principal outstanding (South Korean won)	KRW 13.2 billion	KRW 17.0 billion
Stock price	KRW 2,170	KRW 917
Expected life (in years)	4.04	4.79
Selected yield	20.25%	13.50%
Expected volatility (Telcon common stock)	78.31%	67.04%
Risk-free interest rate (South Korea government bond)	4.21%	3.21%
Expected dividend yield	—	—
Conversion price	KRW2,069(US$1.53)	KRW1,000(US$0.69)

Loan receivable from EJ Holdings – During 2018, the Company and Japan Industrial Partners, Inc., or JIP, formed EJ Holdings, Inc., or EJ Holdings, to acquire, own and operate an amino acids manufacturing facility in Ube, Japan. In connection with the formation, the Company invested approximately $32,000 in exchange for 40% of EJ Holdings' capital shares. JIP owned 60% of EJ Holdings' capital shares. In October 2018, the Company entered into a loan agreement with EJ Holdings under which the Company made an unsecured loan to EJ Holdings in the amount of $13.6 million. The loan proceeds were used by EJ Holdings to purchase the Ube facility in December 2019 and pay related taxes. The Company subsequently loaned approximately $6.5 million (JPY 1,037,335,720) to EJ Holdings. The principal (JPY 3,637,335,720) will become due and payable in two equal installments on December 28, 2027 and on September 30, 2028 and bears interest at the rate of 1% payable annually. The Company suspended further loans to EJ Holdings in September 2023.

EJ Holdings has had no substantial revenues since its inception, has depended on loans from the Company to acquire the Ube facility and fund its operations and will be dependent on loans or other financing unless and until its plant is activated and it can secure customers for its products. There is no assurance that needed funding will be available from other sources. If EJ Holdings fails to obtain needed funding, it may need to seek to sell or otherwise dispose of the Ube plant.

On December 28, 2023, the Company sold and assigned its EJ Holdings shares at its original cost of JPY3.6 million or US$25,304 to Niihara International, Inc., which was formed by Yutaka Niihara, M.D., Ph. D., former Chairman and Chief Executive Officer of the Company and a principal stockholder of the Company. In January 2024, JIP also sold their EJ Holdings' capital share to Niihara International, Inc. In connection with the sale and assignment, the Company derecognized its investment in EJ Holdings, including $1.5 million of currency translation adjustments recorded in other comprehensive loss. As of September 30, 2026 and December 31, 2025, the face amount of the loan receivable from EJ Holdings was $25.8 million, which was reflected in $16.9 million of net loan receivable from EJ Holdings as contra-equity on the condensed consolidated balance sheets.

NOTE 6 — SELECTED FINANCIAL STATEMENT - LIABILITIES

Accounts payable and accrued expenses consisted of the following at September 30, 2026 and December 31, 2025 (in thousands):

	As of September 30, 2026	As of December 31, 2025
Accounts payable:		
Clinical and regulatory expenses	$ 382	$ 565
Professional fees	524	927
Selling expenses	1,588	1,721
Manufacturing costs	641	1,466
Non-employee director compensation	990	1,018
Other vendors	562	282
Total accounts payable	4,687	5,979
Accrued interest payable, related parties	1,772	1,474
Accrued interest payable	8,846	5,841
Accrued expenses:		
Payroll expenses	400	452
Government rebates and other rebates	9,324	8,538
Other accrued expenses	365	331
Total accrued expenses	10,089	9,321
Total accounts payable and accrued expenses	$ 25,394	$ 22,615

Other current liabilities consisted of the following at September 30, 2026 and December 31, 2025 (in thousands):

	As of September 30, 2026	As of December 31, 2025
Trade discount	$ 3,050	$ 3,190
Unearned revenue (a)	11,197	13,000
Other current liabilities	1,017	1,375
Total other current liabilities	$ 15,264	$ 17,565

(a) Refer to Note 3 for further information.

Other long-term liabilities consisted of the following at September 30, 2026 and December 31, 2025 (in thousands):

	As of September 30, 2026	As of December 31, 2025
Trade discount	$ 10,100	$ 12,239
Unearned Revenue	1,945	—
Other long-term liabilities	70	53
Total other long-term liabilities	$ 12,115	$ 12,292

On June 12, 2017, the Company entered into an API Supply Agreement with Telcon pursuant to which Telcon advanced to the Company approximately $31.8 million as an advance trade discount in consideration of the Company's agreement to purchase from Telcon the Company's estimated annual target for bulk containers of PGLG. On July 12, 2017, the Company entered into a raw material supply agreement with Telcon which revised certain items of the API Supply Agreement (the "revised API Agreement"). The Company purchased $0.5 million of PGLG from Telcon for each of nine months ended September 30, 2026 and 2025. Approximately $507,000 and $1.1 million of accounts payable were included in the condensed consolidated balance sheets as of September 30, 2026 and December 31, 2025. The revised API Agreement provided for an annual API purchase target of $5.0 million and a target "profit" (*i.e.*, gross margin) to Telcon of $2.5 million. To the extent these targets are not met, which management refers to as a "target shortfall," Telcon may be entitled to payment of the target shortfall or to settle the target shortfall by exchange of principal and interest on the Telcon convertible bond and proceeds thereof that are pledged as collateral to secure the Company's obligations under the API Supply Agreement and the revised API Agreement. See Note 5 for information regarding the settlement of the target shortfall.

NOTE 7 — NOTES PAYABLE

Notes payable consisted of the following at September 30, 2026 and December 31, 2025 (in thousands except for number of underlying shares):

Year Issued	Interest Rate Range	Term of Notes	Conversion Price		Principal Outstanding September 30, 2026	Unamortized Discount September 30, 2026	Capitalized amount September 30, 2026	Carrying Amount September 30, 2026	Shares Underlying Notes September 30, 2026
Notes payable									
2013	10%	Due on demand	—		$ 637	$ —	$ —	$ 637	—
2022	10% - 12%	Due on demand	—		505	—	—	505	—
2023	11%	Due on demand	—		2,899	—	—	2,899	—
2024	30%	Due on demand	—		1,400	—	—	1,400	—
2026	22% - 49%	30 weeks - 2 years	—		841	137	—	704	—
					$ 6,282	**$ 137**	**$ —**	**$ 6,145**	**—**
		Current			$ 6,086	$ 133	$ —	$ 5,953	—
		Non-current			$ 196	$ 4		$ 192	—
Notes payable - related parties									
2020	12%	Due on demand	—		100	—	—	100	—
2021	12%	Due on demand	—		700	—	—	700	—
2022	10%-12%	Due on demand - 5 years	—		3,954	28	—	3,926	—
2023	10%-60%	Due on demand	—		577	—	—	577	—
					$ 5,331	**$ 28**	**$ —**	**$ 5,303**	**—**
		Current			$ 5,331	$ 28	$ —	$ 5,303	—
Convertible notes payable									
2021	10%	Due on Demand	$ 0.01		685	—	—	685	102,082,270
2023	13%	Due on Demand	$ 10.00	(a)	3,150	—	—	3,150	485,472
2023	10%	Due on Demand	$ 0.29		1,000	—	—	1,000	3,448,275
2024	12%	Due on Demand	$ 0.01		8,574	—	3,900	12,474	27,729,467
					$ 13,409	**$ —**	**$ 3,900**	**$ 17,309**	**133,745,484**
		Current			$ 13,409	$ —	$ 3,900	$ 17,309	133,745,484
		Grand Total			**$ 25,022**	**$ 165**	**$ 3,900**	**$ 28,757**	**133,745,484**

Year Issued	Interest Rate Range	Term of Notes	Conversion Price		Principal Outstanding December 31, 2025	Unamortized Discount December 31, 2025	Capitalized amount December 31, 2025	Carrying Amount December 31, 2025	Shares Underlying Notes December 31, 2025
Notes payable									
2013	10%	Due on demand	—		$ 638	$ —	$ —	$ 638	—
2022	10% - 12%	Due on demand	—		505	—	—	505	—
2023	11%	Due on demand	—		3,093	—	—	3,093	—
2024	30%	Due on demand	—		1,400	—	—	1,400	—
2025	44% - 59%	18-37 weeks	—		2,574	191	—	2,383	—
					$ 8,210	**$ 191**	**$ —**	**$ 8,019**	**—**
		Current			$ 8,210	$ 191	$ —	$ 8,019	—
Notes payable - related parties									
2020	12%	Due on demand	—		100	—	—	100	—
2021	12%	Due on demand	—		700	—	—	700	—
2022	10%-12%	Due on demand - 5 years	—		4,076	50	—	4,026	—
2023	10%-60%	Due on demand	—		577	—	—	577	—
					$ 5,453	**$ 50**	**$ —**	**$ 5,403**	**—**
		Current			$ 3,132	$ —	$ —	$ 3,132	—
		Non-current			$ 2,321	$ 50	$ —	$ 2,271	—
Convertible notes payable									
2021	10%	Due on Demand	$ 0.01		685	—	—	685	101,161,109
2023	13%	Due on Demand	$ 10.00	(a)	3,150	—	—	3,150	419,338
2023	10%	Due on Demand	$ 0.29		1,000	—	—	1,000	3,448,275
2024	12%	Due on Demand	$ 0.01		8,630	—	3,915	12,545	34,973,320
					$ 13,465	**$ —**	**$ 3,915**	**$ 17,380**	**140,002,042**
		Current			$ 13,465	$ —	$ 3,915	$ 17,380	140,002,042
		Grand Total			**$ 27,128**	**$ 241**	**$ 3,915**	**$ 30,802**	**140,002,042**

(a) This note is convertible into shares of EMI Holding, Inc., a wholly owned subsidiary of Emmaus Life Sciences, Inc.

The weighted-average stated annual interest rate of notes payable was 12% and 15% as of September 30, 2026 and December 31, 2025, respectively. The weighted-average effective annual interest rate of notes payable as of September 30, 2026 and December 31, 2025 was 14% and 18%, respectively, after giving effect to discounts relating to warrants and deferred financing costs relating to the notes.

As of September 30, 2026, future contractual principal payments due on notes payable were as follows (in thousands):

Year Ending		
2026	$	24,826
2027		196
2028		—
2029		—
2030		—
Total	$	25,022

On February 9, 2021, the Company entered into a securities purchase agreement in which the Company sold and issued to purchasers in a private placement pursuant to Rule 4(a)(2) of the Securities Act of 1933, as amended, and Regulation D thereunder approximately $14.5 million principal amount of convertible promissory notes of the Company at face value.

Commencing one year from the original issue date, the convertible promissory notes became convertible at the option of the holder into shares of the Company’s common stock at an initial conversion price of $1.48 per share, which equaled the “Average volume-weighted average price" ("Average VWAP”) of the Company’s common stock on the effective date. The initial conversion price is subject to adjustment as of the end of each three-month period following the original issue date, commencing May 31, 2021, to equal the Average VWAP as of the end of such three-month period if such Average VWAP is less than the then-conversion price. There is no floor on the conversion price. The conversion price will be subject to further adjustment in the event of a stock split, reverse stock split or certain other events specified in the convertible promissory notes.

The convertible promissory notes bear interest at the rate of 2% per year (10% in case of default), payable semi-annually on the last business day of August and January of each year and matured on the 3rd anniversary of the original issue date. The convertible promissory notes are prepayable in whole or in part at the election of the holders. The convertible promissory notes are general, unsecured obligations of the Company. For the nine months ended September 30, 2026 and 2025, the Company repaid $56,000 and $210,000, respectively of the convertible promissory notes. As of September 30, 2026, the conversion price was $0.01 per share.

In February and March 2024, the Company entered into Exchange Agreements (the "Exchange Notes") with certain convertible notes holders pursuant to which it issued total of $11.1 million principal amount of convertible promissory notes of the Company due one year from issuance of the Exchange Notes in exchange for the surrender for cancellation and satisfaction in full of a like principal amount of our outstanding convertible promissory notes due in 2024. The surrendered notes bore interest at the annual rate of 2%, payable semi-annually, and were convertible at the election of the holder into shares of the Company's common stock at the conversion rate of $0.13 per share. The Exchange Notes bear interest at the annual rate of 10% and were convertible into shares of the Company’s common stock at an initial conversion price of $0.13 per share, subject to decrease, but not increase, at the end of each three-month period from issuance to equal the VWAP (as defined) of the Company’s common stock and to adjustment in the event of a stock split, reverse stock split and similar events. The principal amount of and accrued interest on the Exchange Notes will be payable in two equal semi-annual installments. No additional consideration was paid in connection with the exchange. The convertible promissory notes are general, unsecured obligations of the Company. In December 2025, the Company entered into Exchange Agreement with a convertible note holder to which it agreed to issue 6,322,692 shares of the Company's stock in exchange of $2.4 million principal amount of the holder's convertible note. Management accounted for this transaction as troubled debt restructuring under ASC 470-60 since the Company was experiencing financial difficulty and the effective borrowing rate on the new debt is less than the effective borrowing rate on the original debt. As a result, the Company recognized fair value of equity approximately $72,000 in additional paid in capital and deferred recognizing $2.4 million gain on restructured debt until the note is fully settled. As of September 30, 2026, $8.6 million principal amount of the Exchange Notes was due and payable on demand.

The conversion feature of the original convertible promissory notes and the Exchange Notes is separately accounted for at fair value as a derivative liability under guidance in ASC 815 that is remeasured at fair value on a recurring basis using Level 3 inputs, with any changes in the fair value of the conversion feature liability recorded in the condensed consolidated statements of operations. As of March 31, 2025, the convertible promissory note became due. The intrinsic value of conversion feature is calculated as the difference between the market value and the conversion price, multiplied by the underlying shares.

The following table sets forth the fair value of the conversion feature liability as of September 30, 2026 and December 31, 2025 (in thousands):

Conversion feature liability	September 30, 2026	December 31, 2025
Balance, beginning of period	$ —	$ 162
Change in fair value included in the statement of operations	3,247	(162)
Balance, end of period	$ 3,247	$ —

In September 2023, Smart Start Investments Limited, of which Wei Peu Zen, a director of the Company, is a director and shareholder, loaned the Company the principal amount of $1.0 million in exchange for a convertible promissory note of the Company. The convertible promissory note was due on September 5, 2024, bears interest at the annual rate of 10%, payable at maturity, and is convertible at the option of the holder into shares of the Company's common stock at a conversion rate of $0.29 a share, subject to adjustment in the event of a stock split, reverse stock split or similar event. On March 5, 2024, the conversion feature of the convertible promissory note no longer met the scope exception in ASC 815-10-15-74 as the investors' Rule 144(d) holding period for the Company had ended and was separately accounted for at fair value as a derivative liability that is remeasured at fair value on a recurring basis using Level 3 inputs, with any changes in fair value of the conversion feature liability recorded in the condensed consolidated statements of operations. In September 2024, the convertible promissory note became due. As of September 30, 2026, the conversion price exceeded stock price and therefore, the fair value of conversion features was determined to be zero.

Beginning in February 2024, two related holders of demand promissory notes of the Company in the aggregate principal amount of approximately $2.6 million demanded repayment of the notes plus accrued interest. The Company has acknowledged its indebtedness to the holders and intends to seek to enter into a plan to repay the notes in installments. To date, the parties have not reached an agreement with respect to repayment of the notes.

In March 2024, Smart Start Investments Limited loaned the Company the principal amount of $1.4 million. The loan was due in two months and bore interest at the rate of 2.5% per month. As of May 2024, the loan became due on demand and the stated default rate of interest of 5.0% per month became applicable.

In September 2024, Emmaus Medical entered into Sale of Future Receipts Agreement (the "September 2024 loan") with a third party pursuant to which it sold and assigned $1.3 million of future receipts (the "Purchased Amount") in exchange for net cash proceeds of $0.8 million. Under the agreement, the Company agreed to pay the third party $35,000 weekly for 10 weeks and $41,000 weekly thereafter until the Purchase Amount has been collected. In February 2025, the Company repaid in full the outstanding balance of $0.3 million and recognized debt extinguishment loss of $0.2 million as the Company entered into February 2025 loan discussed below.

In December 2024, Emmaus Medical entered into Sale of Future Receipts Agreement (the "December 2024 loan") with a third party pursuant to which it sold and assigned $1.5 million of future receipts (the "Purchased Amount") in exchange for net cash proceeds of $0.9 million. Under the agreement, the Company agreed to pay the third party $43,000 weekly until the Purchase Amount has been collected. In May 2025, the Company repaid in full the outstanding balance of $0.4 million and recognized debt extinguishment loss of $0.2 million as the Company entered into May 2025 loan discussed below.

In February 2025, the Company entered into an Agreement for the Purchase and Sales of Future Receipts (the "February 2025 loan") with a third party pursuant to which it sells $1.9 million of future receipts (the "Purchased Amount") in exchange for net proceeds of $1.3 million with origination fee of $0.1 million. Under the agreement, the Company agrees to pay the third party $49,000 weekly until the Purchased Amount has been collected. A portion of the net proceeds were used to pay off the September 2024 loan discussed above. In August 2025, the Company repaid in full the outstanding balance of $0.6 million and recognized debt extinguishments loss of $0.3 million as the Company entered into August 2025 loan discussed below.

In May 2025, the Company entered into an Agreement for the Purchase and Sales of Future Receipts (the "May 2025 loan") with a third party pursuant to which it sells $2.1 million of future receipts (the "Purchased Amount") in exchange for net proceeds of $1.5 million with origination fee of $0.1 million. Under the agreement, the Company agrees to pay the third party approximately $62,000 weekly until the Purchased Amount has been collected. A portion of the net proceeds were used to pay off the December 2024 loan discussed above. In October 2025, the Company repaid in full the outstanding balance of $0.6 million as the Company entered into October 29, 2025 loan discussed below.

In June 2025, the Company entered into an Agreement for the Future Receivables Sale and Purchase Agreement (the "June 2025 loan") with a third party pursuant to which it sold and assigned $1.0 million of future receipts (the "Purchased Amount") in exchange

for net proceeds of $0.8 million with origination fee of $38,000. Under the agreement, the Company agrees to pay the third party approximately $51,000 weekly until the Purchased Amount has been collected. In October 2025, the Company repaid in full the outstanding balance of principal and interest of approximately $0.3 million as the Company entered into October 1, 2025 loan discussed below.

In August 2025, the Company entered into an Agreement for the Purchase and Sale of Future Receipts (the "August 2025 loan") with a third party pursuant to which it sold and assigned $1.9 million of future receipts (the "Purchased Amount") in exchange for net proceeds of $1.2 million with an origination fee of $0.1 million. Under the agreement, the Company agrees to pay the third party approximately $59,000 weekly until the Purchased Amount has been collected. A portion of the net proceeds were used to pay off the February 2025 loan. In October 2025, the Company repaid in full the outstanding balance of approximately $1.2 million as the Company entered into October 29, 2025 loan discussed below.

In September 2025, the Company entered into a Purchase of Future Receipts Agreement with a third party. It loaned principal amount of $141,000 with financial charge of $65,000. Under the agreement, the Company agreed to pay the third party approximately $11,000 weekly. In January 2026, the Company repaid all balance in accordance with the agreement.

In October 2025, the Company entered into an Agreement for the Purchase and Sale of Future Receipts ("October 1, 2025 loan") with a third party pursuant to which it sold and assigned $0.9 million of future receipts (the "Purchase Amount") in exchange for net proceeds of $0.6 million net of origination fee of $34,000. Under the agreement, the Company agrees to pay the third party approximately $52,000 weekly until the Purchase Amount has been collected. A portion of the net proceeds were used to prepay the June 2025 loan. In February 2026, the Company repaid all balance in accordance with the agreement.

In October 2025, the Company entered into an Agreement for the Purchase and Sale of Future Receipts ("October 29, 2025 loan") with a third party pursuant to which it sold and assigned $3.6 million of future receipts (the "Purchase Amount") in exchange for net proceeds of $2.3 million net of origination fee of $0.3 million. Under the agreement, the Company agrees to pay the third party approximately $94,000 weekly until the Purchase Amount has been collected. A portion of the net proceeds were used to prepay the May 2025 and August 2025 loan and the Company recognized debt extinguishment of $0.6 million. In July 2026, the Company repaid all balance in accordance with the agreement.

In December 2025, the Company entered into an Agreement for the Purchase and Sale of Future Receipts ("December 2025 loan") with a third party pursuant to which it sold and assigned $0.8 million of future receipts (the "Purchase Amount") in exchange for net proceeds of $0.5 million net of origination fee of $45,000. Under the agreement, the Company agrees to pay the third party approximately $54,000 weekly until the Purchase Amount has been collected. In February 2026, the Company repaid in full the outstanding balance as the Company entered into the February 2026 loan discussed below.

In February 2026, Emmaus Medical entered into a Sale of Future Receipts Agreement (the "February 2026 loan") with a third party pursuant to which it sold and assigned $1.7 million of future receipts (the "Purchased Amount") in exchange for net cash proceeds of $1.1 million. Under the agreement, the Company agreed to pay the third party approximately $57,000 weekly for 30 weeks until the Purchase Amount has been collected. A portion of the proceeds was used to repay the December 2025 loan. As of September 30, 2026, the Company has approximately $40,000 outstanding balance.

In September 2026, Emmaus Medical entered into a Business Loan and Security Agreement with a third party pursuant to which the lender loaned the Company principal amount of $400,000. The Company received net cash proceeds of $384,000 with origination fee of $16,000. Under the agreement, the Company agrees to pay $5,546 weekly for 104 weeks. As of September 30, 2026, the Company has approximately $380,000 outstanding balance.

In September 2026, Emmaus Medical entered into a Business Loan and Security Agreement with a third party pursuant to which the lender loaned the Company principal amount of $720,000. The Company received $300,000 out of expected net cash proceeds of $600,000 with origination fee of $120,000 on September 29, 2026. The Company received remaining balance of $300,000 on October 2, 2026. Under the agreement, the Company agrees to pay $33,231 bi-weekly until total amount including financing charge, specified fees and interest are paid.

Except as otherwise indicated above, the net proceeds of the foregoing loans and other arrangements were used to augment the Company's working capital.

NOTE 8 — STOCKHOLDERS' DEFICIT

Warrant issued for services — On January 12, 2023, the Company granted two consultants to the Company five-year warrants to purchase up to 250,000 shares of common stock each at an exercise price of $0.50 a share. On January 27, 2023, the Company also

granted a consulting company a five-year warrant to purchase up to 500,000 shares of common stock at an exercise price of $0.47 a share. The warrants are subject to adjustment in the event of a stock split, reverse stock split and similar events. The fair value of the warrants was determined using the Black-Scholes Merton option pricing model. The fair value of the underlying shares was determined based upon the market value of the common stock. The expected volatility was adjusted using the historical volatility of the common stock and the market price of comparable publicly traded securities. The warrants are classified as a liability. For the three months ended September 30, 2026 and 2025, the Company recorded the change in fair value of approximately ($12,000) and $2,000, respectively, and for the nine months ended September 30, 2026 and 2025, the Company recorded the change in fair value of approximately ($2,000) and ($3,000), respectively, in the condensed consolidated statements of operations.

The following table presents the assumptions used to value the warrants:

	September 30, 2026	December 31, 2025
Stock price	$0.07	$0.01
Exercise price	$0.47-$0.50	$0.47-$0.50
Expected term	1.28-1.32 years	2.03-2.24 years
Risk-free rate	4.64%-4.65%	3.48%
Dividend yield	—	—
Volatility	150.08%-152.57%	543.38%-548.72%

A summary of outstanding warrants as of September 30, 2026 and December 31, 2025 is presented below:

	September 30, 2026		December 31, 2025	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Warrants outstanding, beginning of year	1,000,000	$ 0.49	4,625,000	$ 0.81
Granted	—	—	—	—
Exercised	—	—	—	—
Cancelled, forfeited and expired	—	—	(3,625,000)	0.90
Warrants outstanding, end of period	1,000,000	$ 0.49	1,000,000	$ 0.49
Warrant exercisable, end of period	1,000,000	$ 0.49	1,000,000	$ 0.49

As of September 30, 2026, the weighted-average remaining contractual life of outstanding warrants was 1.3 years.

Stock options— The Company's former 2011 Stock Incentive Plan permitted grants of incentive stock options to employees, including executive officers, and other share-based awards such as stock appreciation rights, restricted stock, stock units, stock bonus and unrestricted stock awards to employees, directors, and consultants for up to 9,000,000 shares of common stock. Options granted under the 2011 Stock Incentive Plan generally expire ten years after grant. Options granted to directors vest in quarterly installments and all other option grants vest over a minimum period of three years, in each case, subject to continuous service with the Company. The 2011 Stock Incentive Plan expired in May 2021 and no further awards may be made under the Plan. As of September 30, 2026 and December 31, 2025, stock options to purchase up to 238,031 shares and 1,300,774 shares, respectively, were outstanding under the 2011 Stock Incentive Plan.

The Company also had an Amended and Restated 2012 Omnibus Incentive Compensation Plan under which the Company could grant incentive stock options to selected employees including officers, non-employee consultants and non-employee directors. The Plan was terminated in September 2021. As of September 30, 2026 and December 31, 2025 stock options to purchase up to 230,743 shares and 243,968 shares were outstanding under the Amended and Restated 2012 Omnibus Incentive Plan.

On September 29, 2021, the Board of Directors of the Company adopted the Emmaus Life Sciences, Inc. 2021 Stock Incentive Plan upon the recommendation of the Compensation Committee of the Board. The 2021 Stock Incentive Plan was approved by stockholders on November 23, 2021. No more than 4,000,000 shares of common stock may be issued pursuant to awards under the 2021 Stock Incentive Plan. The number of shares available for awards, as well as the terms of outstanding awards, is subject to adjustment as provided in the 2021 Stock Incentive Plan for stock splits, stock dividends, reverse stock splits, recapitalizations and other similar events. Options granted under the 2021 Stock Incentive Plan are generally exercisable for ten years from the date of grant and vest and become exercisable with respect to the underlying shares over three years for employees, one year for non-employee

directors and immediately for consultants. As of September 30, 2026 and December 31, 2025, stock options to purchase up to 2,775,000 shares were outstanding under the 2021 Stock Incentive Plan.

Management has valued stock options at their date of grant utilizing the Black-Scholes-Merton Option pricing model. The fair value of the underlying shares was determined by the market value of the Company's common stock. The expected volatility was adjusted using the historical volatility of the common stock and comparable publicly traded securities. The risk-free interest rate is based on the implied yield available on U.S. Treasury issues with a term approximating the expected life of the options depending on the date of the grant and expected life of the respective options.

A summary of outstanding stock options as of September 30, 2026 and December 31, 2025 is presented below:

	September 30, 2026		December 31, 2025	
	Number of Options	Weighted-Average Exercise Price	Number of Options	Weighted-Average Exercise Price
Options outstanding, beginning of year	4,664,742	$ 3.60	5,287,284	$ 3.54
Granted or deemed issued	—	—	50,000	$ 0.01
Exercised	—	—	—	—
Cancelled, forfeited and expired	(1,420,968)	4.32	(672,542)	2.88
Options outstanding, end of period	3,243,774	$ 3.28	4,664,742	$ 3.60
Options exercisable at end of period	3,243,774	$ 3.28	4,646,686	$ 3.60
Options available for future grant	1,225,000		880,000	

During the three months ended September 30, 2026 and 2025, the Company recognized zero and $9,000, respectively of share-based compensation expense. During the nine months ended September 30, 2026 and September 30, 2025, the Company recognized approximately $1,000 and $18,000, respectively, of share-based compensation expense. As of September 30, 2026, there was no unrecognized share-based compensation expense related to unvested stock options.

NOTE 9 — INCOME TAX

The quarterly provision for or benefit from income taxes is computed based upon the estimated annual effective tax rate and the year-to-date pre-tax loss and other comprehensive loss.

For the three months ended September 30, 2026 and 2025, the Company recorded an income tax provision of $4,000 and $579,000, respectively. For the nine months ended September 30, 2026 and 2025, the Company recorded an income tax provision of $7,000 and an income tax benefit of $7,000, respectively. The Company did not record a provision for federal income tax due to its net operating loss carryforwards. The Company established a full valuation allowance against its federal and state deferred tax assets and there was no unrecognized tax benefit as of September 30, 2026 or December 31, 2025.

NOTE 10 — LEASES

Operating leases — The Company leases its office space under operating leases with unrelated entities.

Prior to November 2024, the Company leased 21,293 square feet of office space for its headquarters in Torrance, California, at a base rental of $90,069 per month pursuant to a lease, as amended, which was scheduled to expire on September 30, 2026. In November 2024, the lease was amended to, among other things, reduce the leased space to 4,639 square feet at a base rental of $18,556 per month and to provide for the upfront payment of approximately $58,483 to fund the cost of demising work on the former leased space. The amended lease became effective on April 2, 2025 and will expire on April 1, 2030. In addition, the Company leases 1,163 square feet of office space in Dubai, United Arab Emirates, under a lease which will expire on June 19, 2029.

Lease expense for the three months ended September 30, 2026 and 2025 was approximately $91,000 and $90,000 respectively, and for the nine months ended September 30, 2026 and 2025 was approximately $284,000 and $436,000, respectively.

As of September 30, 2026, future minimum lease payments under the lease agreements were as follows (in thousands):

	Amount
2026	$ 79
2027	551
2028	560
2029 and after	662
Total lease payments	1,852
Less: Interest	257
Current portion	401
Operating lease liabilities, less current portion	$ 1,194

As of September 30, 2026, the Company had an operating lease right-of-use asset of $0.8 million and lease liability of $1.6 million reflected on the condensed consolidated balance sheet. The weighted average remaining term of the Company's leases as of September 30, 2026 was 3.4 years and the weighted-average discount rate was 10.6%.

NOTE 11 — COMMITMENTS AND CONTINGENCIES

API Supply Agreement — On June 12, 2017, the Company entered into an API Supply Agreement (the "API Agreement") with Telcon pursuant to which Telcon paid the Company approximately $31.8 million in consideration of the right to supply 25% of the Company's requirements for bulk containers of PGLG for a fifteen-year term. The amount was recorded as deferred trade discount. On July 12, 2017, the Company entered into a raw material supply agreement with Telcon which revised certain terms of the API supply agreement (the "revised API agreement"). The revised API agreement is effective for a term of five years and will renew automatically for 10 successive one-year renewal periods, except as either party may determine. In the revised API agreement, the Company has agreed to purchase a cumulative total of $47.0 million of PGLG over the term of the agreement. The revised API agreement provided for an annual API purchase target of $5 million and a target "profit" (*i.e.*, gross margin) to Telcon of $2.5 million. To the extent these targets are not met, Telcon may be entitled to payment of the shortfall or to offset the shortfall against the Telcon convertible bond and proceeds thereof that are pledged as collateral to secure our obligations. In September 2018, the Company entered into an agreement with Ajinomoto Health and Nutrition North America, Inc. ("Ajinomoto"), the producer of the PGLG, and Telcon to facilitate Telcon's purchase of PGLG from Ajinomoto for resale to the Company under the revised API agreement. The PGLG raw material purchased from Telcon is recorded in inventory at net realizable value and the excess purchase price is recorded against deferred trade discount. Refer to Notes 5 and 6 for more information.

NOTE 12 — RELATED PARTY TRANSACTIONS

The following table sets forth information relating to loans from related parties outstanding at any time during the nine months ended September 30, 2026 (in thousands):

Class	Lender	Interest Rate	Date of Loan	Term of Loan	Principal Amount Outstanding nine months ended September 30, 2026	Highest Principal Outstanding	Amount of Principal Repaid	Amount of Interest Paid
Promissory note payable - related parties:								
	Willis Lee(3)	12%	10/29/2020	On Demand	100	100	—	—
	Soomi Niihara(1)	12%	12/7/2021	On Demand	700	700	—	—
	Hope International Hospice, Inc.(2)	10%	2/9/2022	On Demand	350	350	—	—
	Hope International Hospice, Inc.(2)	10%	2/15/2022	On Demand	210	210	—	—
	Soomi Niihara(1)	10%	2/15/2022	On Demand	100	100	—	—
	Hope International Hospice, Inc.(2)	12%	3/15/2022	On Demand	150	150	—	—
	Hope International Hospice, Inc.(2)	12%	3/30/2022	On Demand	150	150	—	—
	Wei Peu Zen(3)	10%	3/31/2022	On Demand	200	200	—	—
	Albert Niihara(4)	10%	4/4/2022	On Demand	—	110	110	5
	Willis Lee(3)	10%	4/14/2022	On Demand	45	45	—	—
	Albert Niihara(4)	10%	4/19/2022	On Demand	238	249	11	74
	Hope International Hospice, Inc.(2)	10%	5/25/2022	On Demand	40	40	—	—
	Dr. Yutaka and Soomi Niihara(1)(2)	12%	7/27/2022	5 years	402	402	—	36
	Dr. Yutaka and Soomi Niihara(1)(2)	10%	8/16/2022	5 years	250	250	—	19
	Dr. Yutaka and Soomi Niihara(1)(2)	10%	8/16/2022	5 years	1,669	1,669	—	125
	Hope International Hospice, Inc.(2)	10%	8/17/2022	On Demand	50	50	—	—
	Hope International Hospice, Inc.(2)	10%	10/20/2022	On Demand	100	100	—	—
	Hope International Hospice, Inc.(2)	10%	3/17/2023	On Demand	100	100	—	—
	Dr. Yutaka and Soomi Niihara(1)(2)	10%	3/21/2023	On Demand	127	127	—	—
	Wei Peu Zen(3)	60%	12/1/2023	2 months	350	350	—	—
				Total	**$ 5,331**	**$ 5,452**	**$ 121**	**$ 259**

(1) Soomi Niihara is the wife of Yutaka Niihara.
(2) Dr. Niihara, a former Director and former Chairman and Chief Executive Officer of the Company, is also a director and the Chief Executive Officer of Hope International Hospice, Inc.
(3) Officer or director.
(4) Albert Niihara is the son of Dr. and Soomi Niihara.

The following table sets forth information relating to loans from related parties outstanding at any time during the year ended December 31, 2025:

Class	Lender	Interest Rate	Date of Loan	Term of Loan	Principal Amount Outstanding December 31, 2025	Highest Principal Outstanding	Amount of Principal Repaid or Converted into Stock	Amount of Interest Paid
Promissory note payable - related parties:								
	Willis Lee(3)	12%	10/29/2020	On Demand	100	100	—	—
	Soomi Niihara(1)	12%	12/7/2021	On Demand	700	700	—	—
	Hope International Hospice, Inc.(2)	10%	2/9/2022	On Demand	350	350	—	—
	Hope International Hospice, Inc.(2)	10%	2/15/2022	On Demand	210	210	—	—
	Soomi Niihara(1)	10%	2/15/2022	On Demand	100	100	—	—
	Hope International Hospice, Inc.(2)	12%	3/15/2022	On Demand	150	150	—	—
	Hope International Hospice, Inc.(2)	12%	3/30/2022	On Demand	150	150	—	—
	Wei Peu Zen(3)	10%	3/31/2022	On Demand	200	200	—	—
	Albert Niihara(4)	10%	4/4/2022	On Demand	110	350	240	150
	Willis Lee(3)	10%	4/14/2022	On Demand	45	45	—	—
	Albert Niihara(4)	10%	4/19/2022	On Demand	250	250	—	35
	Hope International Hospice, Inc.(2)	10%	5/25/2022	On Demand	40	40	—	—
	Dr. Yutaka and Soomi Niihara(1)(2)	12%	7/27/2022	5 years	402	402	—	48
	Dr. Yutaka and Soomi Niihara(1)(2)	10%	8/16/2022	5 years	250	250	—	25
	Dr. Yutaka and Soomi Niihara(1)(2)	10%	8/16/2022	5 years	1,669	1,669	—	167
	Hope International Hospice, Inc.(2)	10%	8/17/2022	On Demand	50	50	—	—
	Hope International Hospice, Inc.(2)	10%	10/20/2022	On Demand	100	100	—	—
	Hope International Hospice, Inc.(2)	10%	3/17/2023	On Demand	100	100	—	—
	Dr. Yutaka and Soomi Niihara(1)(2)	10%	3/21/2023	On Demand	127	127	—	—
	Wei Peu Zen(3)	60%	12/1/2023	2 months	350	350	—	—
				Total	**$ 5,453**	**$ 5,693**	**$ 240**	**$ 425**

(1) Soomi Niihara is the wife of Yutaka Niihara.
(2) Dr. Niihara, a former Director and former Chairman and Chief Executive Officer of the Company, is also a director and the Chief Executive Officer of Hope International Hospice, Inc.
(3) Officer or director.
(4) Albert Niihara is the son of Dr. and Soomi Niihara.

See Note 7 for more information on recent developments with respect to certain related-party loans.

See Notes 5, 6 and 11 for a discussion of the Company's agreements with Telcon, which holds 4,147,491 shares of common stock of the Company, or approximately 5.9% of the common stock outstanding as of September 30, 2026. As of September 30, 2026, the Company held a Telcon convertible bond in the principal amount of KRW13.2 billion, or approximately $9.8 million, as discussed in Note 5.

NOTE 13 — SUBSEQUENT EVENTS

The Company has evaluated events through November 18, 2026, the date the financial statements are available for issuance. There were no material recognized or unrecognized subsequent events during this period that required adjustment to, or disclosure in, the financial statements.

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

In the following discussion, the terms, "we," "us," "our," "Emmaus" or the "Company" refer to Emmaus Life Sciences, Inc. and its direct and indirect subsidiaries.

Forward-Looking Statements

This Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the audited consolidated financial statements and the related notes included in our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the Securities and Exchange Commission ("SEC") on March 31, 2026 (the "Annual Report").

This Quarterly Report contains forward-looking statements that involve substantial risks and uncertainties. All statements other than historical facts contained in this report, including statements regarding our future financial position, capital expenditures, cash flows, business strategy and plans and objectives of management for future operations are forward-looking statements. The words "anticipate," "believe," "expect," "plan," "intend," "seek," "estimate," "project," "could," "may" and similar expressions are intended to identify forward-looking statements. These statements include, among others, information regarding future operations, future capital expenditures, and future net cash flow. Such statements reflect our management's current views with respect to future events and financial performance and involve risks and uncertainties, including those set forth in the "Risk Factors" section of the Annual Report, many of which are beyond our control.

Should one or more of these risks or uncertainties occur, or should underlying assumptions prove to be incorrect, actual results may vary materially and adversely from those anticipated, believed, estimated or otherwise indicated. Consequently, all forward-looking statements made in this Form 10-Q are qualified by these cautionary statements. We undertake no duty to amend or update these statements beyond what is required by SEC reporting requirements.

Company Overview

Endari® was approved for marketing in the United Arab Emirates, or U.A.E, in Qatar, Kuwait, Bahrain, and Oman. Our application for marketing authorization in the Kingdom of Saudi Arabia, or KSA is pending. While the application is pending, the FDA approval of Endari® can be referenced to allow access to Endari® in the KSA on a named-patient basis. In January 2025, Endari® was afforded market exclusivity in the KSA by the KSA's unified purchasing system which extends to all KSA government institutions, including hospitals under the Ministry of Health, Military Hospitals, the National Guard, the Security Forces, and King Faisal Specialty Hospitals and Research Centers.

Endari® is sold in the U.S. through our nonexclusive distributors and in the Middle East North Africa, or MENA, region through exclusive arrangements with local distributors. In December 2025, we entered into a License and Exclusive Distribution Agreement, or License Agreement, with NeoImmuneTech, Inc., or NIT, pursuant to which we granted NIT on the "Effective Date" of May 15, 2026 an exclusive license to our rights to market, sell, and distribute Endari® and any generic equivalents we may develop in sickle cell disease, or the Field, in the U.S. and its territories and possessions and Canada, or the Territory, in exchange for an upfront cash payment, a double digit percentage royalty on NIT's sales of the licensed products and a double digit percentage of any NIT sublicenses of rights to the products. We agreed in the License Agreement to use $1.0 million of the upfront payment paid on the Effective Date to subscribe to purchase shares of NIT capital stock.

In connection with the License Agreement, we and NIT entered into an Exclusive Supply Agreement pursuant to which we agree to supply exclusively to NIT, and NIT agrees, subject to certain exceptions, to purchase exclusively from us all NIT's requirements for the Products in the Field in the Territory at a purchase price based upon our cost of production plus a specified double digit percentage margin.

Prior to the Effective Date, NIT hired selected members of our U.S. sales force and we have entered into a sales services agreement under which NIT renders to us sales and marketing services for Endari® in the Field in the Territory in exchange for our payment of quarterly fees in the low-to-mid six figures. We continued to realize all revenues from sales of the Endari® in the Territory prior to the Effective Date.

Under the License Agreement, each party is entitled to make improvements to the licensed products and to own their respective improvements, subject to the grant of appropriate cross-rights to any such improvements. We retain all rights in the licensed products outside the Field and outside the Territory.

NIT has no experience in marketing brand name or generic pharmaceuticals in the U.S. or elsewhere, and there is no assurance that it will be able to successfully market and distribute Endari® or other licensed products.

For the foregoing reasons, our historical results of operations are unlikely to be an indication of our future performance.

Endari® is reimbursable by the Centers for Medicare and Medicaid Services, and every state provides coverage for Endari® for outpatient prescriptions to all eligible Medicaid enrollees within their state Medicaid programs. Endari® is also reimbursable by many commercial payors. We have agreements in place with the nation's leading distributors, as well as physician group purchasing organizations and pharmacy benefits managers, making Endari® available at selected retail and specialty pharmacies nationwide which has been assigned and assumed by NIT in connection with the Effective Date of the License Agreement. Following the Effective Date of the License Agreement with NIT, our revenues from U.S. operations will depend upon sales of Endari® to NIT under the exclusive supply agreement and on royalties from NIT's sales of Endari® in the Territory.

As of September 30, 2026, our accumulated deficit was $276.8 million, and we had cash and cash equivalents of $1.0 million. Until we can generate sufficient net revenues from Endari® sales or enter into one or more strategic transactions, our future cash requirements are expected to be financed through loans from related parties, third-party loans, public or private equity or debt financings or possible corporate collaboration and licensing arrangements. We are unable to predict if or when we may generate increased net revenues or accomplish strategic transactions.

Results of Operations:

Three months ended September 30, 2026 and 2025

Net Revenues. Net revenues decreased by $1.5 million, or 44%, to $1.9 million for the three months ended September 30, 2026, compared to $3.4 million for the three months ended September 30, 2025. The decrease was primarily driven by lower U.S. direct sales of Endari® following the execution of the License Agreement with NIT. Management expects U.S. revenue to be generated primarily through royalty and supply agreements rather than direct sales, but expects sales growth in the Middle East.

Cost of Goods Sold. Cost of goods sold increased by $0.2 million, or 49%, to $0.4 million for the three months ended September 30, 2026, compared to $0.2 million for the three months ended September 30, 2025. The increase was primarily attributable to inventory disposal fees of expired Endari®.

Research and Development Expenses. Research and development expenses were not significant in either period.

Selling Expenses. Selling expenses decreased by $0.3 million, or 46%, to $0.4 million for the three months ended September 30, 2026, compared to $0.7 million for the three months ended September 30, 2025. The decrease was mainly due to decreases of $0.2 million in distribution fee and $0.1 million in payroll expenses as we transferred the vast majority of our U.S. sales activities to NIT as a part of the License Agreement.

General and Administrative Expenses. General and administrative expenses decreased by $0.2 million, or 14%, to $1.5 million for the three months ended September 30, 2026, compared to $1.7 million for the three months ended September 30, 2025. The decrease was primarily due to a decrease of $0.1 million in payroll expenses attributable to the reduction in headcount in addition to broader cost reduction initiatives.

Other Expense. Total other expenses increased by $2.2 million, or 99%, to $4.4 million for the three months ended September 30, 2026, compared to $2.2 million for the three months ended September 30, 2025. The increase was primarily attributable to an increase of $3.2 million in change in fair value of conversion feature derivative, partially offset by a $0.4 million favorable change in fair value of investments in equity security, a $0.3 million in foreign exchange gain, a $0.3 million decrease in debt extinguishment loss, and a $0.1 million decrease in interest expense.

Net Loss. Net loss was $4.7 million and $2.1 million for three months ended September 30, 2026 and 2025, respectively. The increase in net loss was due to a decrease in income from operations and an increase in other expense.

Nine months ended September 30, 2026 and 2025

Net Revenues. Net revenues increased by $1.6 million, or 18%, to $10.2 million for the nine months ended September 30, 2026, compared to $8.6 million for the nine months ended September 30, 2025 as the Company recognized $6.0 million of revenue from the upfront fee and royalties under the License Agreement, which was partially offset by a decrease of $4.5 million in U.S. sales.

Cost of Goods Sold. Cost of goods sold increased by $0.3 million, or 42%, to $0.9 million for the nine months ended September 30, 2026, compared to $0.6 million for the nine months ended September 30, 2025. The increase was primarily due to higher cost per carton and inventory disposal fees of expired Endari®.

Research and Development Expenses. Research and development expenses remained consistent from prior period.

Selling Expenses. Selling expenses decreased by $0.4 million, or 19%, to $1.6 million for the nine months ended September 30, 2026, compared to $2.0 million for the nine months ended September 30, 2025. The decrease was primarily due to decreases of $0.5 million in payroll expense, $0.3 million in distribution fee, partially offset by an increase of $0.5 million in consulting fee as we transferred our sales force to NIT as part of the License Agreement discussed above.

General and Administrative Expenses. General and administrative expenses decreased by $1.5 million, or 23%, to $4.9 million for the nine months ended September 30, 2026, compared to $6.4 million for the nine months ended September 30, 2025. The decrease was primarily due to decreases of $0.5 million in legal settlement fees incurred during 2025, $0.4 million in payroll-related expenses, $0.2 million in rent expenses and $0.1 million professional fees.

Other Expense. Total other expense increased by $4.4 million, or 91%, to $9.3 million for the nine months ended September 30, 2026, compared to $4.9 million for the nine months ended September 30, 2025. The increase was primarily due to increases of $3.4 million in change in fair value of conversion feature derivative, $0.7 million in interest expense, and a decrease of $0.9 million in gain on lease modification, partially offset by a decrease of $0.6 million in loss on debt extinguishment.

Net Loss. Net loss was $6.7 million and $5.5 million for the nine months ended September 30, 2026 and September 30, 2025, respectively.

Liquidity and Capital Resources

Based on our losses to date, current liabilities and anticipated future net revenues, operating expenses, debt repayment obligations, and cash and cash equivalents of $1.0 million as of September 30, 2026, we do not have sufficient operating capital for our business without raising additional capital. We realized a net loss of $6.7 million for the nine months ended September 30, 2026 and we may continue to incur net losses for the foreseeable future and until we can generate increased net revenues from Endari® sales royalties and direct sales. There is no assurance that we will be able to increase our Endari® sales or attain sustainable profitability, or that we will have sufficient capital resources to fund our operations until we are able to generate sufficient cash flow from operations or accomplish a strategic transaction.

Liquidity represents our ability to pay our liabilities when they become due, fund our business operations, meet our contractual obligations, including repayment of our existing indebtedness and the purchase of API under our supply arrangements with Telcon, and execute our business plan. Our primary sources of liquidity are our cash balances at the beginning of each period, sales of future receipts to third parties, proceeds from related-party loans and other financing activities. Our short-term and long-term cash requirements consist primarily of working capital requirements, general corporate needs, our contractual obligations to purchase API from Telcon and pay debt service under our outstanding notes payable.

As of September 30, 2026, we had outstanding $13.4 million principal amount of convertible promissory notes and $11.4 million principal amount of other notes payable reflected in our current liabilities. Our minimum lease payment obligations were $1.6 million, of which $0.4 million was payable within 12 months.

Our API supply agreement with Telcon provides for an annual API purchase target of $5.0 million and a target “profit” (*i.e*., gross margin) to Telcon of $2.5 million. To the extent these targets are not met, Telcon may be entitled to payment of the shortfall or to offset the shortfall against the Telcon convertible bond and proceeds thereof that are pledged as collateral to secure our obligations. With our consent, in April 2026, Telcon offset KRW 3.8 billion, or approximately $2.6 million, against the principal amount of the Company's Telcon convertible bond and the Company released KRW1,281 million, or approximately $870,000, in cash proceeds to Telcon in satisfaction of the target shortfall for the year ended December 31, 2025.

Due to uncertainties regarding our ability to meet our current and future operating and capital expenses, there is substantial doubt about our ability to continue as a going concern for 12 months from the date that our condensed consolidated financial statements are issued, as referred to in the “Risk Factors” section of our Annual Report and Note 2 of the Notes to Condensed Consolidated Financial Statements included herein.

Cash flows for the nine months ended September 30, 2026 and September 30, 2025

Net cash provided used in operating activities

Net cash used in operating activities decreased by $1.9 million, or 85%, to $0.3 million for the nine months ended September 30, 2026 from net cash used in operating activities of $2.2 million for the nine months ended September 30, 2025. This decrease was primarily due to an increase of income from operations.

Net cash provided by investing activities

Net cash provided by investing activities decreased by $0.6 million, or 28%, to $1.6 million for the nine months ended September 30, 2026 compared to $2.2 million for the nine months ended September 30, 2025. The decrease was primarily driven by $1.0 million used for purchase of NIT shares, partially offset by a $0.4 million increase in proceeds from sales of convertible bond.

Net cash used in financing activities

Net cash used in financing activities increased by $1.3 million, or 127% to $2.4 million for the nine months ended September 30, 2026 from $1.1 million for the nine months ended September 30, 2025. The increase was mainly due to $2.8 million lower proceeds from notes payable issued, partially offset by a reduction of $1.3 million in payments of notes payable.

Off-Balance-Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Estimates

Management's discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of certain assets, liabilities and expenses. On an ongoing basis, we evaluate these estimates and judgments, including but not limited to those relating to revenue recognition on product sales, the variables used to calculate the valuation of investment in convertible bond, conversion feature, stock options and warrants. We base our estimates on our historical experience and on various other assumptions that we believe to be reasonable under the present circumstances. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates.

Refer to "Critical Accounting Estimates and Accounting Policies" in Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Annual Report for additional information. There have been no material changes in any of our critical accounting estimates during the nine months ended September 30, 2026.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not required for a smaller reporting company.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures ("DCP") are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. DCP include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate to allow timely decisions regarding required disclosures.

As of the end of the period covered by this Form 10-Q, we conducted an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Accounting Officer, of the effectiveness of our DCP. Based on that evaluation, our Chief Executive Officer and Chief Accounting Officer concluded that the Company's DCP were not effective due to the material weaknesses described below.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the fiscal quarter ended September 30, 2026 which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Material Weaknesses

As previously reported, our management identified ongoing material weaknesses (the "Material Weaknesses") in our internal control over financial reporting. The Material Weaknesses related to inadequate accounting treatment for complex accounting matters, inadequate financial closing process, segregation of duties, including access control over information technology, especially financial information, inadequate documentation of policies and procedures over risk assessments, internal control and significant account processes, and insufficient entity risk assessment processes.

Since identifying the Material Weaknesses, we took steps to remediate the Material Weaknesses, including:

- engaging third-party accounting consulting firms to assist us in the review of our application of GAAP to complex transactions;
- using GAAP Disclosure and SEC Reporting Checklists;
- continuing professional training and academic education on accounting subjects for accounting staff;
- enhancing attention to review controls related to our financial closing process and reporting;
- subscribing to relevant online services and other supplemental internal and external resources relating to SEC reporting; and
- establishing a Disclosure Committee to seek to ensure more effective internal communication regarding significant transactions and our financial reporting.

We implemented an integrated cloud-based enterprise resource planning system to manage our financial information and replace our outdated financial accounting systems and software. As a result of these actions, management has concluded that the certain material weaknesses identified in previous fiscal years have been remediated but that there continued to be material weaknesses in our internal control over financial reporting as of September 30, 2026. In particular, our finance and accounting department is not adequately staffed, which has sometimes resulted in not all policies and procedures being properly documented.

Part II. Other Information

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

See “Risk Factors” section of the Annual Report.

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

None.

Item 6. Exhibits

(a) Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/ Furnished
		Form	File No.	Exhibit	Filing Date	
10.1	Business Loan and Security Agreement dated September 17, 2026					*
10.2	Business Loan and Security Agreement dated September 18, 2026					*
31.1	Certification of Chief Executive Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*
31.2	Certification of Chief Accounting Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					*
32.1	Certification of Chief Executive Officer and Chief Accounting Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					**
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document					
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Document					
104	Cover Page formatted as Inline XBRL and contained in Exhibit 101					

* Filed herewith.

** This exhibit shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in any filings.

EMMAUS LIFE SCIENCES, INC.

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.

Emmaus Life Sciences, Inc.

Dated: November 18, 2026

By: /s/ *Willis C. Lee*
Name: Willis C. Lee
Its: Chief Executive Officer (Principal Executive Officer)

By: /s/ *Hiroko Huynh*
Name: Hiroko Huynh
Its: Chief Accounting Officer (Principal Financial Officer)

Exhibit 10.1

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BUSINESS LOAN AND SECURITY AGREEMENT SUPPLEMENT

This Business Loan and Security Agreement Supplement is part of (and incorporated by reference into) the Business Loan and Security Agreement. Borrower should keep this important legal document for Borrower's records.

YOUR LOAN DETAILS	
Borrower:	**EMMAUS MEDICAL, INC.**
Lender:	**Celtic Bank**
Loan Amount:	**$400,000.00**
Origination Fee: (Deducted at time of disbursement)	**$16,000.00**
Disbursement Amount: (Loan Amount less Origination Fee) Note that the Disbursement Amount may not be the amount deposited to your Designated Checking Account. The amount that will be deposited to your Designated Checking Account will be reduced by any amounts owed to Lender from a prior loan or used to pay off an amount owed to a third party lender.	**$384,000.00**
WeeklyPayment Amount: (Business days only) **Number of Weeklypayments:** (Business days only) **Payment Schedule:** "Business day" means any Monday through Friday except for Federal Reserve holidays.	**$5,546.15** **104** **104** payments of **$5,546.15** due (i) in the case of loans with a Daily Payment Amount, each Business day immediately following the date disbursement of the Disbursement Amount is initiated by Lender, (ii) in the case of loans with a Weekly Payment Amount, the same day each week as the day of the week disbursement of the Disbursement Amount is initiated by Lender (or the prior or next Business day if such day is not a Business day) beginning seven days after the Disbursement Amount is initiated or (iii) in the case of loans with a Monthly Payment Amount, on the 26th day of the month (or the prior or next Business day if such day is not a Business day) beginning with the calendar month the Disbursement Amount is initiated, except if the disbursement of the Disbursement Amount is initiated by Lender after the 19th day of the month, then the payment amount is due on the 26th day of each month (or the prior or next Business Day if such day is not a Business Day) beginning with the calendar month after the Disbursement Amount is initiated. The maturity date of this Loan is the date the final payment is due in accordance with the Payment Schedule.
Total Interest Expense: (Does not include any Fees)	**$176,799.60**
Total Repayment Amount: (Loan Amount plus Total Interest Expense)	**$576,799.60**
PREPAYMENT, RENEWAL, AND OTHER FEES	
Prepayment: (See Section 10 of the Business Loan and Security Agreement for specific details)	A "Prepayment Interest Reduction Percentage" of 25% (with respect to unpaid interest remaining on this Loan) will be applied to the extent that the Borrower prepays this Loan in whole in accordance with, and subject to, Section 10 of the Business Loan and Security Agreement. Note that 75% of remaining unpaid interest will still be due upon Prepayment in whole. You should keep in mind that partial prepayments will not reduce the Total Interest Expense.

Renewals:	Remaining unpaid interest on this Loan will be eligible to be forgiven by Lender if: (i) Borrower is current on its scheduled payments with respect to this Loan and, (ii) while this Loan is outstanding, Borrower enters into a business loan and security agreement for a new qualifying term loan with Lender, a portion of the proceeds of which is used to repay this Loan in whole.
Other Fees:	Returned Payment Fee: **$25.00** Late Fee: **$10.00** (maximum $50 within any 20 day period)

If you have any questions, please call us at 1.888.828.5717 (we have support available Monday - Friday 8am - 8pm CST and Saturdays 8:30am - 5:30pm CST) or email support@ondeck.com.

CERTAIN DISCLOSURES	
Loan Pricing Disclosure	Lender uses a system of risk-based pricing to determine interest charges and fees. Risk-based pricing is a system that evaluates the risk factors of your application and adjusts the interest rate up or down based on this risk evaluation. Although Lender believes that its loan process provides expedited turnaround time and efficient access to capital, this loan may be a higher cost loan than loans that may be available through other lenders.
Loan For Specific Purposes Only	The proceeds of the requested Loan may solely be used for the specific purposes as set forth in the Use of Proceeds Certification of the Business Loan and Security Agreement. IN ADDITION, THE LOAN WILL NOT BE USED FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES. Borrower understands that Borrower's agreement not to use the Loan proceeds for personal, family or household purposes means that certain important duties imposed upon entities making loans for consumer/personal purposes, and certain important rights conferred upon consumers, pursuant to federal or state law will not apply to this transaction.

1. INTRODUCTION. This Business Loan and Security Agreement (together with the accompanying Business Loan and Security Agreement Supplement and the accompanying Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debits), this "Agreement") governs your business loan ("Loan") made by Celtic Bank and serviced by ODK Capital, LLC or a subsidiary or affiliate thereof ("Servicer" or "OnDeck"). Please read it and keep it for your reference. In this Agreement, the words "you," "your" and "Borrower" mean the Borrower identified on the signature page of this Business Loan and Security Agreement. Each guarantor identified on the signature page of this Business Loan and Security Agreement shall be referred to individually as "Guarantor" and collectively as "Guarantors" in this Agreement. The words "Lender", "we", "us", and "our" mean Celtic Bank or its successor(s) and assign(s).

2. EFFECTIVE DATE. This Agreement begins on the date we accept this Agreement in Utah, which is the date of our signature on the signature page of the Agreement. Borrower understands and agrees that Lender may postpone, without penalty, the disbursement of amounts to Borrower until all required security interests have been perfected and Lender has received all required personal guarantees or other documentation.

3. AUTHORIZATION. Borrower agrees that the Loan made by Lender to Borrower shall be conclusively deemed to have been authorized by Borrower and to have been made pursuant to a duly authorized request on its behalf.

4. LOAN FOR SPECIFIC PURPOSES ONLY. The proceeds of the requested Loan may solely be used for the specific purposes as set forth in the Use of Proceeds Certification contained in Section 51 below, and not for any other purposes. In addition, the Loan will not be used for personal, family or household purposes, and Borrower and Guarantors are forever estopped from taking the position that such Loan (including Advances) are or were used for such personal, family or household purposes. Borrower understands that Borrower's agreement not to use the Loan proceeds for personal, family or household purposes means that certain important duties imposed upon entities making loans for personal, family or household purposes, and certain important rights conferred upon such persons, pursuant to federal or state law will not apply to the Loan or the Agreement. Borrower also understands that Lender will be unable to confirm whether the use of the Loan conforms to this section. Borrower agrees that a breach by Borrower of the provisions of this section will not affect Lender's right to (i) enforce Borrower's promise to pay for all amounts owed under this Agreement, regardless of the purpose for which the Loan is in fact obtained or (ii) use any remedy legally available to Lender, even if that remedy would not have been available had the Loan been made for personal, family or household purposes.

5. DISBURSEMENT OF LOAN PROCEEDS AND MAINTENANCE OF BORROWER'S BANK ACCOUNT. If Borrower applied and was approved for a Loan, Borrower's Loan will be disbursed upon approval as provided in the accompanying Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debits). Borrower agrees to maintain Direct Payments (ACH Debits) in its operating account which is the account that was reviewed in conjunction with underwriting and approval of this Loan (including keeping such account open until the Total Repayment Amount had been completely repaid). Borrower agrees that the Loan made by Lender to Borrower may not be returned except at Lender's sole discretion.

6. PROMISE TO PAY. Borrower agrees to pay Lender the Total Repayment Amount shown in the accompanying Business Loan and Security Agreement Supplement in accordance with the Payment Schedule shown in the accompanying Business Loan and Security Agreement Supplement or pursuant to any modification of the Payment Schedule by Lender. Borrower agrees to enroll in Lender's Automatic Payment Plan and authorizes Lender to collect required payments as provided in the accompanying Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debits). If required by Lender, Borrower further agrees and authorizes Lender or its Servicer to collect required payments from a transfer account established pursuant to certain Transfer Account Loan Documentation that will be provided by Lender in connection with this Business Loan and Security Agreement if applicable.

7. ALTERNATIVE PAYMENT METHODS. If Borrower knows that for any reason Lender will be unable to process a payment under Lender's Automatic Payment Plan, then Borrower must either restore sufficient funds such that the missed payment can be collected as provided in the accompanying Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debits), or promptly mail or deliver a check to Lender in the amount of the missed payment or, if offered, make the missed payment by any pay-by-phone or on-line service that Lender may make available from time to time. If Borrower elects to send payments on Borrower's Account by postal mail, then Borrower agrees to send such

payments to our Servicer, OnDeck, 4700 W. Daybreak Pkwy., Suite 200, South Jordan, UT 84009, Attn: Director of Operations. All alternative payments must be made in good funds by check, money order, wire transfer, automatic transfer from an account at an institution offering such service, or other instrument in U.S. Dollars. Borrower understands and agrees that payments made at any other address than as specified by Lender may result in a delay in processing and/or crediting. If Borrower makes an alternative payment on Borrower's Loan by mail or by any pay-by-phone or on-line service that Lender makes available while Borrower is enrolled in the Automatic Payment Plan, Lender may treat such payment as an additional payment and continue to process Borrower's scheduled Automatic Payment Plan payments or may reduce any scheduled Automatic Payment Plan payment by the amount of any such additional payment received.

8. APPLICATION OF PAYMENTS. Subject to applicable law, Lender reserves the right to allocate and apply payments received on Borrower's Loan between principal, interest and fees in any manner Lender chooses in Lender's sole discretion it being understood and agreed that any fees and interest will generally be paid during the earlier portion of the term.

9. POSTDATED CHECKS, RESTRICTED ENDORSEMENT CHECKS AND OTHER DISPUTED OR QUALIFIED PAYMENTS. Lender can accept late, postdated or partial payments without losing any of Lender's rights under this Agreement (a postdated check is a check dated later than the day it was actually presented for payment). Lender is under no obligation to hold a postdated check and Lender reserves the right to process every item presented as if dated the same date received by Lender or Lender's check processor unless Borrower gives Lender adequate notice and a reasonable opportunity to act on it. Except where such notice and opportunity is given, Borrower may not hold Lender liable for depositing any postdated check. **Borrower agrees not to send Lender partial payments marked "paid in full," "without recourse," or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Agreement. All notices and written communications concerning postdated checks, restricted endorsement checks (including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount) or any other disputed, nonconforming or qualified payments, must be mailed or delivered to our Servicer, OnDeck, Customer Service, 4700 W. Daybreak Pkwy., Suite 200, South Jordan, UT 84009, Attn: Director of Operations.**

10. PREPAYMENT. Borrower may prepay Borrower's Loan in whole on any Business day by paying Lender the sum total of the Total Repayment Amount, any Returned Payment Fees, and any Late Fees, in each case as described in the accompanying Business Loan and Security Agreement Supplement less (i) the amount of any Loan payments made prior to such prepayment and (ii) the product of (x) the percentage identified as the applicable Prepayment Interest Reduction Percentage in the accompanying Business Loan and Security Agreement Supplement; and (y) the aggregate amount of unpaid interest remaining on the Borrower's Loan as of such date as determined by Lender's records in accordance with Section 8. Borrower may prepay Borrower's Loan in part on any Business day and such payment shall be applied against the Total Repayment Amount, any Returned Payment Fees, and any Late Fees, in each case as described in the accompanying Business Loan and Security Agreement Supplement.

11. SECURITY INTEREST. Borrower hereby grants to Lender, the secured party hereunder, a continuing security interest in and to any and all "Collateral" as described below to secure payment and performance of all debts, liabilities and obligations of Borrower to Lender hereunder and also any and all other debts, liabilities and obligations of Borrower to Lender of every kind and description, direct or indirect, absolute or contingent, primary or secondary, due or to become due, now existing or hereafter arising, related to the Loan described in this Agreement, whether or not contemplated by the parties at the time of the granting of this security interest, regardless of how they arise or by what agreement or instrument they may be evidenced or whether evidenced by any agreement or instrument, and includes obligations to perform acts and refrain from taking action as well as obligations to pay money including, without limitation, all interest, other fees and expenses (all hereinafter called "Obligations"). The Collateral includes the following property that Borrower (or Guarantor, if applicable, pursuant to Section 12) now owns or shall acquire or create immediately upon the acquisition or creation thereof: (i) any and all amounts owing to Borrower now or in the future from any merchant processor(s) processing charges made by customers of Borrower via credit card or debit card transactions; and (ii) all other tangible and intangible personal property, including, but not limited to (a) cash and cash equivalents, (b) inventory, (c) equipment, (d) investment property, including certificated and uncertificated securities, securities accounts, security entitlements, commodity contracts and commodity accounts, (e) instruments, including promissory notes (f) chattel paper, including tangible chattel paper and electronic chattel paper, (g) documents, (h) letter of credit rights, (i) accounts, including health-care insurance receivables, (j) deposit accounts, (k) commercial tort claims, (l) general intangibles, including payment intangibles and software and

(m) as-extracted collateral as such terms may from time to time be defined in the Uniform Commercial Code. The security interest Borrower (or Guarantor, if applicable, pursuant to Section 12) grants includes all accessions, attachments, accessories, parts, supplies and replacements for the Collateral, all products, proceeds and collections thereof and all records and data relating thereto. Lender disclaims any security interest in household goods in which Lender is forbidden by law from taking a security interest, and disclaims any security interest in real estate and dwellings.

12. PROTECTING THE SECURITY INTEREST. Borrower agrees that Lender and/or Lender's Representative may file any financing statement, lien entry form or other document Lender and/or Lender's Representative requires in order to perfect, amend or continue Lender's security interest in the Collateral and Borrower agrees to cooperate with Lender and Lender's Representative as may be necessary to accomplish said filing and to do whatever Lender or Lender's Representative deems necessary to protect Lender's security interest in the Collateral. Borrower and Guarantor each agree that, if any Guarantor is a corporate entity, then Lender or Lender's Representative may file any financing statement, lien entry form or other document against such Guarantor or its property that Lender and/or Lender's Representative requires in order to perfect, amend or continue Lender's security interest in the Collateral. Any such Guarantor agrees to cooperate with Lender or Lender's Representative as may be necessary to accomplish said filing and to do whatever Lender or Lender's Representative deems necessary to protect Lender's security interest in the Collateral. In this Agreement, "Lender's Representative" means any entity or individual that is designated by Lender to serve in such capacity.

13. LOCATION OF COLLATERAL; TRANSACTIONS INVOLVING COLLATERAL. Unless Lender has agreed otherwise in writing, Borrower agrees and warrants that (i) all Collateral (or records of the Collateral in the case of accounts, chattel paper and general intangibles) shall be located at Borrower's address as shown in the application, (ii) except for inventory sold or accounts collected in the ordinary course of Borrower's business, Borrower shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral, (iii) no one else has any interest in or claim against the Collateral that Borrower has not already told Lender about, (iv) Borrower shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance or charge, other than the security interest provided for in this Agreement and (v) Borrower shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral for less than the fair market value thereof. Borrower shall defend Lender's rights in the Collateral against the claims and demands of all other persons. All proceeds from any unauthorized disposition of the Collateral shall be held in trust for Lender, shall not be co-mingled with any other funds and shall immediately be delivered to Lender. This requirement, however, does not constitute consent by Lender to any such disposition.

14. TAXES, ASSESSMENTS AND LIENS. Borrower will complete and file all necessary federal, state and local tax returns and will pay when due all taxes, assessments, levies and liens upon the Collateral and provide evidence of such payments to Lender upon request.

15. INSURANCE. Borrower shall procure and maintain such insurance as Lender may require with respect to the Collateral, in form, amounts and coverage reasonably acceptable to Lender and issued by a company reasonably acceptable to Lender naming Lender as loss payee. If Borrower at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may obtain such insurance as Lender deems appropriate at Borrower's sole cost and expense. Borrower shall promptly notify Lender of any loss of or damage to the Collateral.

16. REPAIRS AND MAINTENANCE. Borrower agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Borrower further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

17. INSPECTION OF COLLATERAL AND PLACE OF BUSINESS; USE OF PHOTOGRAPHS AND TESTIMONIALS. Lender and Lender's designated representatives and agents shall have the right during Borrower's normal business hours and at any other reasonable time to examine the Collateral wherever located and the interior and exterior of any Borrower place of business. To the extent that Lender or Lender's designated representatives choose to examine Borrower's assets and place of business outside of normal business hours, Lender shall give Borrower reasonable notice, which shall be at least five business days, prior to the date of inspection. Borrower shall cooperate with Lender in making its assets and place of business available for inspection. During an examination of any Borrower place of business, Lender may examine, among other things, whether Borrower (i) has a place of business that is separate from any personal residence, (ii) is open for business, (iii) has sufficient inventory to conduct Borrower's business and (iv) has one or more credit card terminals if Borrower processes credit card transactions. When performing an examination, Lender may photograph the interior and

exterior of any Borrower place of business, including any signage, and may photograph any individual who has signed the Agreement ("Signatory") unless the Signatory previously has notified Lender that he or she does not authorize Lender to photograph the Signatory. Lender may obtain testimonials from any Signatory, including testimonials on why Borrower needed the Loan and how the Loan has helped Borrower. Any photograph and testimonial will become and remain the sole property of Lender. Borrower and each Signatory grant Lender the irrevocable and permanent right to display and share any photograph and testimonial in all forms and media, including composite and modified representations, for all purposes, including but not limited to any trade or commercial purpose, with any Lender employees and agents and with the general public. Lender may, but is not required to, use the name of any Borrower and Signatory as a credit in connection with any photograph and testimonial. Borrower and each Signatory waive the right to inspect or approve versions of any photograph or testimonial or the written copy or other media that may be used in connection with same. Borrower and each Signatory release Lender from any claims that may arise regarding the use of any photograph or testimonial, including any claims of defamation, invasion of privacy or infringement of moral rights, rights of publicity or copyright.

18. LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any related documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any related documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. To the extent permitted by applicable law, all such expenses will become a part of the Obligations and, at Lender's option, will: (i) be payable on demand; (ii) be added to the balance of the Loan and be apportioned among and be payable with any installment payments to become due during the remaining term of the Loan; or (iii) be treated as a balloon payment that will be due and payable at the Loan's maturity. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon an Event of Default.

19. BORROWER'S REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants that: (i) Borrower will comply with all laws, statutes, regulations and ordinances pertaining to the conduct of Borrower's business and promises to hold Lender harmless from any damages, liabilities, costs, expenses (including attorneys' fees) or other harm arising out of any violation thereof; (ii) Borrower's principal executive office and the office where Borrower keeps its records concerning its accounts, contract rights and other property, is that shown in the application; (iii) Borrower is duly organized, licensed, validly existing and in good standing under the laws of its state of formation and shall hereafter remain in good standing in that state, and is duly qualified, licensed and in good standing in every other state in which it is doing business, and shall hereafter remain duly qualified, licensed and in good standing in every other state in which it is doing business, and shall hereafter remain duly qualified, licensed and in good standing in every other state in which the failure to qualify or become licensed could have a material adverse effect on the financial condition, business or operations of Borrower; (iv) the true and correct legal name of the Borrower is set forth in the application; (v) the aggregate ownership percentage of the Signatories is greater than or equal to fifty percent (50%) of the Borrower's business; (vi) the execution, delivery and performance of this Agreement, and any other document executed in connection herewith, are within Borrower's powers, have been duly authorized, are not in contravention of law or the terms of Borrower's charter, by-laws or other constating documents, or of any indenture, agreement or undertaking to which Borrower is a party; (vii) all constating documents and all amendments thereto of Borrower have been duly filed and are in proper order and any capital stock issued by Borrower and outstanding was and is properly issued and all books and records of Borrower are accurate and up to date and will be so maintained; (viii) Borrower (a) is subject to no charter, corporate or other legal restriction, or any judgment, award, decree, order, governmental rule or regulation or contractual restriction that could have a material adverse effect on its financial condition, business or prospects, and (b) is in compliance with its charter, by-laws and other constating documents, all contractual requirements by which it may be bound and all applicable laws, rules and regulations other than laws, rules or regulations the validity or applicability of which it is contesting in good faith or provisions of any of the foregoing the failure to comply with which cannot reasonably be expected to materially adversely affect its financial condition, business or prospects or the value of the Collateral; (ix) there is no action, suit, proceeding or investigation pending or, to Borrower's knowledge, threatened against or affecting it or any of its assets before or by any court or other governmental authority which, if determined adversely to it, would have a material adverse effect on its financial condition, business or prospects or the value of the Collateral; (x) all information provided by Borrower and/or Guarantor as part of the application process for the Loan was true and complete; (xi) Borrower does not intend to file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within 6 months of the date hereof; and (xii) Borrower is not presently

insolvent within the meaning of the Uniform Commercial Code as well as the United States Bankruptcy Code.

20. INTEREST AND FEES. Borrower agrees to pay in full the interest set forth in the accompanying Business Loan and Security Agreement Supplement. In addition to any other fees described in the Agreement, Borrower agrees to pay the following fees:

A. Origination Fee: A one-time Origination Fee in the amount set forth in the accompanying Business Loan and Security Agreement Supplement. Borrower agrees that this fee will be immediately deducted from the proceeds of Borrower's Loan.

B. Returned Payment Fee: A Returned Payment Fee in the amount set forth in the accompanying Business Loan and Security Agreement Supplement if any electronic payment processed on Borrower's Loan is returned unpaid or dishonored for any reason.

C. Late Fee: A Late Fee in the amount set forth in the accompanying Business Loan and Security Agreement Supplement if a scheduled payment is not received by Lender as provided in the payment schedule set forth in the accompanying Business Loan and Security Agreement Supplement.

Payments made by Borrower hereunder will be applied and allocated between Loan principal, interest and fees in the manner set forth in Section 8.

21. INTEREST AND FEES EXCEEDING PERMITTED LIMIT. If the Loan is subject to a law that sets maximum charges, and that law is finally interpreted so that the interest or other fees collected or to be collected in connection with this Agreement exceed the permitted limits, then (i) any such charge will be reduced by the amount necessary to reduce the charge to the permitted limit and (ii) if required by applicable law, any sums already collected from Borrower that exceed the permitted limits will be refunded or credited to Borrower.

22. ONLINE CUSTOMER PORTAL. When Borrower signs in with Borrower's valid username and password at loans.ondeck.com, Borrower can obtain information about the Borrower's Loan, such as the outstanding balance, daily transactions and fees. No additional paper statement will be mailed to Borrower. Borrower agrees not to share Borrower's username and password to loans.ondeck.com with any third party.

23. FINANCIAL INFORMATION AND REEVALUATION OF CREDIT. Borrower and each Guarantor (if any) authorize Lender to obtain business and personal credit bureau reports in Borrower's and any Guarantor's name, respectively, at any time and from time to time for purposes of deciding whether to approve the requested Loan or for any update, renewal, extension of credit or other lawful purpose. Upon Borrower's or any Guarantor's request, Lender will advise Borrower or Guarantor if Lender obtained a credit report and Lender will give Borrower or Guarantor the credit bureau's name and address. Borrower and each Guarantor (if any) agree to submit current financial information, a new credit application, or both, in Borrower's name and in the name of each Guarantor, respectively, at any time promptly upon Lender's request. Borrower authorizes Lender to act as Borrower's agent for purposes of accessing and retrieving transaction history information regarding Borrower from Borrower's designated merchant processor(s). Lender may report Lender's credit experiences with Borrower and any Guarantor of Borrower's Loan to third parties as permitted by law, including with respect to any Guarantor to consumer credit reporting agencies. Borrower also agrees that Lender may release information to comply with governmental reporting or legal process that Lender believes may be required, whether or not such is in fact required, or when necessary or helpful in completing a transaction, or when investigating a loss or potential loss. Borrower and each Guarantor is hereby notified that a negative credit report reflecting on Borrower's and/or any Guarantor's credit record may be submitted to a credit reporting agency (including with respect to any Guarantor to consumer credit reporting agencies) if Borrower or such Guarantor fails to fulfill the terms of their respective credit obligations hereunder. Guarantor acknowledges that any credit reporting on the Loan shall be at the sole discretion of Lender (subject to applicable law) and that Lender has the right to report the Loan to Guarantor's personal credit file should Guarantor not pay any Obligation pursuant to the guaranty set forth in this Agreement.

24. ATTORNEYS' FEES AND COLLECTION COSTS. To the extent not prohibited by applicable law and except as provided in Section 33, Borrower shall pay to Lender on demand any and all expenses, including, but not limited to, collection costs, all attorneys' fees and expenses, and all other expenses of like or unlike nature which may be expended by Lender to obtain or enforce payment of Obligations either as against Borrower or any guarantor or surety of Borrower or in the prosecution or defense of any action or concerning any matter arising out of or connected with the subject matter of this

Agreement, the Obligations or the Collateral or any of Lender's rights or interests therein or thereto, including, without limiting the generality of the foregoing, any counsel fees or expenses incurred in any bankruptcy or insolvency proceedings and all costs and expenses (including search fees) incurred or paid by Lender in connection with the administration, supervision, protection or realization on any security held by Lender for the debt secured hereby, whether such security was granted by Borrower or by any other person primarily or secondarily liable (with or without recourse) with respect to such debt, and all costs and expenses incurred by Lender in connection with the defense, settlement or satisfaction of any action, claim or demand asserted against Lender in connection therewith, which amounts shall be considered advances to protect Lender's security, and shall be secured hereby. To the extent permitted by applicable law, all such expenses will become a part of the Obligations and, at Lender's option, will: (i) be payable on demand; (ii) be added to the balance of the Loan and be apportioned among and be payable with any installment payments to become due during the remaining term of the Loan; or (iii) be treated as a balloon payment that will be due and payable at the Loan's maturity. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon an Event of Default.

25. BORROWER'S REPORTS. Promptly upon Lender's written request, Borrower and each Guarantor agrees to provide Lender with such information about the financial condition and operations of Borrower or any Guarantor, as Lender may, from time to time, reasonably request. Borrower also agrees promptly upon becoming aware of any Event of Default, or the occurrence or existence of an event which, with the passage of time or the giving of notice or both, would constitute an Event of Default hereunder, to promptly provide notice thereof to Lender in writing.

26. TELEPHONE COMMUNICATIONS. Borrower and Guarantors hereby expressly consent to receiving calls and messages, including auto-dialed and pre-recorded message calls and SMS messages (including text messages) from Lender, its affiliates, marketing partners, agents and others calling at Lender's request or on its behalf, at any telephone numbers that Borrower and/or Guarantors have provided or may provide in the future or otherwise in Lender's possession (including any cellular or mobile telephone numbers). Borrower and Guarantor agree that such communications may be initiated using an automated telephone dialing system.

27. INDEMNIFICATION. Except for Lender's gross negligence or willful misconduct, Borrower will indemnify and hold Lender harmless from all losses, costs, damages, liabilities or expenses (including, without limitation, court costs and reasonable attorneys' fees) that Lender may sustain or incur by reason of defending or protecting Lender's security interest or the priority thereof or enforcing the Obligations, or in the prosecution or defense of any action or proceeding concerning any matter arising out of or in connection with this Agreement and/or any other documents now or hereafter executed in connection with this Agreement and/or the Obligations and/or the Collateral. This indemnity shall survive the repayment of the Obligations and the termination of this Agreement.

28. MERGERS, CONSOLIDATIONS OR SALES. Borrower represents and agrees that Borrower will not (i) merge or consolidate with or into any other business entity or (ii) enter into any joint venture or partnership with any person, firm, corporation, or other entity. Borrower further agrees not to alter its ownership without prior written permission from Lender.

29. CHANGE IN LEGAL STATUS. Without Lender's consent, Borrower represents and agrees that Borrower will not (i) change its name, its place of business or, if more than one, chief executive office, its mailing address, or organizational identification number if it has one, or (ii) change its type of organization, jurisdiction of organization or other legal structure. If Borrower does not have an organizational identification number and later obtains one, Borrower shall promptly notify Lender of such taxpayer identification number.

30. DEFAULT. The occurrence of any one or more of the following events (herein, "Events of Default") shall constitute, without notice or demand, a default under this Agreement and all other agreements between Lender and Borrower and instruments and papers given Lender by Borrower, whether such agreements, instruments, or papers now exist or hereafter arise: (i) Lender is unable to collect any Automatic Payment Plan payment on two consecutive dates due and/or, Borrower fails to pay any Obligations on two consecutive dates due; (ii) Borrower fails to comply with, promptly, punctually and faithfully perform or observe any term, condition or promise within this Agreement; (iii) the determination by Lender that any representation or warranty heretofore, now or hereafter made by Borrower to Lender, in any documents, instrument, agreement, application or paper was not true or accurate when given; (iv) the occurrence of any event such that any indebtedness of Borrower from any lender other than Lender could be accelerated, notwithstanding that such acceleration has not taken place; (v) the occurrence of any event that would cause a lien creditor, as that term is defined in Section 9−102 of the Uniform Commercial Code, (other than Lender) to take priority over the Loan made by Lender; (vi) a filing against or relating to Borrower (unless consented to in writing by Lender) of (a) a federal tax lien in favor of the United States

of America or any political subdivision of the United States of America, or (b) a state tax lien in favor of any state of the United States of America or any political subdivision of any such state; (vii) the occurrence of any event of default under any other agreement between Lender and Borrower or instrument or paper given Lender by Borrower, whether such agreement, instrument, or paper now exists or hereafter arises (notwithstanding that Lender may not have exercised its rights upon default under any such other agreement, instrument or paper); (viii) any act by, against, or relating to Borrower, or its property or assets, which act constitutes the application for, consent to, or sufferance of the appointment of a receiver, trustee or other person, pursuant to court action or otherwise, over all, or any part of Borrower's property; (ix) the granting of any trust mortgage or execution of an assignment for the benefit of the creditors of Borrower, or the occurrence of any other voluntary or involuntary liquidation or extension of debt agreement for Borrower; (x) the failure by Borrower to generally pay the debts of Borrower as they mature; (xi) adjudication of bankruptcy or insolvency relative to Borrower or any Guarantor; (xii) the entry of an order for relief or similar order with respect to Borrower or any Guarantor in any proceeding pursuant to Title 11 of the United States Code entitled "Bankruptcy" (the "Bankruptcy Code") or any other federal bankruptcy law; (xiii) the filing of any complaint, application or petition by or against Borrower initiating any matter in which Borrower is or may be granted any relief from the debts of Borrower pursuant to the Bankruptcy Code or any other insolvency statute or procedure; (xiv) the calling or sufferance of a meeting of creditors of Borrower; (xv) the meeting by Borrower with a formal or informal creditor's committee; (xvi) the offering by or entering into by Borrower of any composition, extension or any other arrangement seeking relief or extension for the debts of Borrower, or the initiation of any other judicial or non-judicial proceeding or agreement by, against or including Borrower that seeks or intends to accomplish a reorganization or arrangement with creditors; (xvii) the entry of any judgment against Borrower, which judgment is not satisfied or appealed from (with execution or similar process stayed) within 15 days of its entry; (xviii) the occurrence of any event or circumstance with respect to Borrower or any Guarantor such that Lender shall believe in good faith that the prospect of payment of all or any part of the Obligations or the performance by Borrower under this Agreement or any other agreement between Lender and Borrower is impaired or there shall occur any material adverse change in the business or financial condition of Borrower (such event specifically includes, but is not limited to, taking additional financing from a credit card advance, cash advance company or an additional working capital loan without the prior written consent of Lender); (xix) the entry of any court order that enjoins, restrains or in any way prevents Borrower from conducting all or any part of its business affairs in the ordinary course of business; (xx) the occurrence of any uninsured loss, theft, damage or destruction to any material asset(s) of Borrower; (xxi) any act by or against, or relating to Borrower or its assets pursuant to which any creditor of Borrower seeks to reclaim or repossess or reclaims or repossesses all or a portion of Borrower's assets; (xxii) the termination of existence, dissolution or liquidation of Borrower or the ceasing to carry on actively any substantial part of Borrower's current business; (xxiii) this Agreement shall, at any time after its execution and delivery and for any reason, cease to be in full force and effect or shall be declared null and void, or the validity or enforceability hereof shall be contested by Borrower or any guarantor of Borrower denies it has any further liability or obligation hereunder; (xxiv) any guarantor or person signing a support agreement in favor of Lender shall repudiate, purport to revoke or fail to perform his or her obligations under his guaranty or support agreement in favor of Lender or any corporate guarantor shall cease to exist; (xxv) any material change occurs in Borrower's ownership or organizational structure (acknowledging that any change in ownership will be deemed material when ownership is closely held); (xxvi) if Borrower is a sole proprietorship, the owner dies; if Borrower is a trust, a trustor dies; if Borrower is a partnership, any general or managing partner dies; if Borrower is a corporation, any principal officer or 10% or greater shareholder dies; if Borrower is a limited liability company, any managing member dies; if Borrower is any other form of business entity, any person(s) directly or indirectly controlling 10% or more of the ownership interests of such entity dies.

31. RIGHTS AND REMEDIES UPON DEFAULT. Subject to applicable law, if an Event of Default occurs under this Agreement, at any time thereafter, Lender may exercise any one or more of the following rights and remedies:

A. Refrain from Disbursing Loan Proceeds: Lender may refrain from disbursing Borrower's Loan proceeds to Borrower's Designated Checking Account.

B. Debit Amounts Due From Borrower's Accounts: Lender may debit from Borrower's Designated Checking Account all Automatic Payment Plan payments that Lender was unable to collect and/or the amount of any other Obligations that Borrower failed to pay.

C. Accelerate Indebtedness: Lender may declare the entire Obligations immediately due and payable, without notice of any kind to Borrower.

D. Assemble Collateral: Lender may require Borrower and/or Guarantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Borrower and/or Guarantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter, provided Lender does so without a breach of the peace or a trespass, upon the property of Borrower and/or Guarantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Borrower and/or Guarantor agree that Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Borrower and/or Guarantor after repossession.

E. Sell the Collateral: Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Borrower and/or Guarantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Borrower, Guarantor and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after an Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least 10 days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Obligations secured by this Agreement. To the extent permitted by applicable law, all such expenses will become a part of the Obligations and, at Lender’s option, will: (i) be payable on demand; (ii) be added to the balance of the Loan and be apportioned among and be payable with any installment payments to become due during either (a) the term of any applicable insurance policy or (b) the remaining term of the Loan; or (iii) be treated as a balloon payment that will be due and payable at the Loan’s maturity.

F. Appoint Receiver: Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Obligations. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Obligations by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

G. Collect Revenues, Apply Accounts: Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender’s nominee and receive the payments, rents, income and revenues therefrom and hold the same as security for the Obligations or apply it to payment of the Obligations in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose or realize on the Collateral as Lender may determine, whether or not any amount included within the Obligations is then due, as permitted by law. For these purposes, Lender may, on behalf of and in the name of Borrower and/or Guarantor, receive, open and dispose of mail addressed to Borrower; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment or storage of any Collateral. To facilitate collections, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

H. Obtain Deficiency: If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Borrower and/or Guarantor for any deficiency remaining on the Obligations due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Borrower and/or Guarantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

I. Other Rights and Remedies: Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity or otherwise.

J. Election of Remedies: Except as may be prohibited by applicable law, all of Lender’s rights and remedies, whether evidenced by this Agreement, any related documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and

an election to make expenditures or to take action to perform an obligation of Borrower under the Agreement, after Borrower's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

32. CONSENT TO JURISDICTION AND VENUE. Subject to Section 33 below, Borrower, Guarantors and Lender agree that any action or proceeding to enforce or arising out of this Agreement may be brought in any court of the State of Utah or in the United States District Court for the District of Utah, and Borrower and Guarantors waive personal service of process. Borrower, Guarantors and Lender agree that, subject to section 33, venue is proper in such courts.

33. ARBITRATION AGREEMENT AND CLASS ACTION WAIVER. THE PARTIES AGREE THAT AT THE ELECTION OF ANY PARTY, ALL CLAIMS BETWEEN BORROWER, GUARANTORS, LENDER, AND SERVICER SHALL BE RESOLVED THROUGH MANDATORY BINDING INDIVIDUAL ARBITRATION PURSUANT TO THIS SECTION.

A. Arbitration procedures are generally simpler than the rules that apply in court, and discovery is more limited. Other rights that Borrower, Guarantor, Lender, or Servicer would have in court may also not be available in arbitration. For example, under this arbitration agreement, Borrower, Guarantor, Lender, or Servicer will not have the right to (i) have a court or jury decide the claim being arbitrated, (ii) engage in pre-arbitration discovery to the same extent that Borrower, Guarantor, Lender, or Servicer could in court, (iii) as set forth below, participate as a representative or member of any class or of claimants in a class action, in court or in arbitration, relating to any claim subject to arbitration, or (iv) join or consolidate claims other than Borrower's, Guarantor's, Lender's, or Servicer's own claims. Any arbitration award and any judgment confirming it will apply only to a specific Claim and cannot be used in any other case except to enforce the award.

B. The term "Claims" is to be given the broadest possible meaning, and includes without limitation Claims arising from or relating to (i) this Agreement, including without limitation, the terms, construction, interpretation, performance, termination, breach, or enforceability of this Agreement, (ii) any transactions effected pursuant to this Agreement, (iii) terms of or change or addition of terms to this Agreement, (iv) collection or enforcement of any obligation arising from this Agreement, (v) advertisements, promotions, or oral or written statements relating to this Agreement or any transactions between us pursuant to this Agreement, (vi) Claims between Borrower and Guarantor and Lender or Servicer or Lender's or Servicer's parent corporations, wholly or majority owned subsidiaries, affiliates, predecessors, successors, assigns, agents, independent contractors, employees, officers, directors or representatives arising from any transaction between us pursuant to this Agreement, and (vii) Claims regarding the validity, enforceability, or scope of this Arbitration section or this Agreement, including but not limited to whether a given claim or dispute is subject to arbitration.

C. The parties agree that any Claim against Borrower, Guarantors, Lender, or Servicer shall be, at the election of any party, resolved by mandatory binding arbitration within a reasonable time period not to exceed one-hundred-and-eighty (180) days. The parties agree that the arbitration shall be administered by JAMS and the arbitration shall be conducted in accordance with the JAMS Streamlined Arbitration Rules & Procedures except as otherwise agreed in this Agreement; if JAMS is unavailable to administer the arbitration, then the arbitration shall be administered by the American Arbitration Association in accordance with its procedures or any other mutually agreeable arbitrator. The parties agree that the arbitration shall be conducted by a single arbitrator. The arbitrator shall be chosen in accordance with the procedures of JAMS and shall base the award on applicable law. The arbitration hearing shall occur in the federal judicial district where Borrower or Guarantor are located, and may be conducted on the basis of documents only or through a telephone or in-person hearing. The arbitrator's decisions are final and binding, are as enforceable as any court order, and are subject to very limited review by a court as set forth in the Federal Arbitration Act. Judgment on the award may be entered in any court having jurisdiction, subject to Section 32 above.

D. The parties agree that the costs of the arbitration (including the arbitrator's fees) shall be divided equally between them, except that Lender will consider in good faith a request by Borrower to pay the costs of arbitration.

E. EACH PARTY MAY PURSUE ARBITRATION SOLELY IN AN INDIVIDUAL CAPACITY, AND NOT AS A REPRESENTATIVE OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S OR ENTITY'S CLAIMS, AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING. BORROWER, GUARANTORS, LENDER, AND SERVICER WAIVE ANY RIGHT TO ASSERT ANY CLAIMS AGAINST ANY OTHER PARTY AS A REPRESENTATIVE OR MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION, EXCEPT WHERE SUCH WAIVER IS PROHIBITED BY LAW AGAINST PUBLIC POLICY. TO THE EXTENT ANY PARTY IS PERMITTED

BY LAW OR COURT OF LAW TO PROCEED WITH A CLASS OR REPRESENTATIVE ACTION AGAINST ANY OTHER, THE PARTIES HEREBY AGREE THAT: (1) THE PREVAILING PARTY SHALL NOT BE ENTITLED TO RECOVER ATTORNEYS' FEES OR COSTS ASSOCIATED WITH PURSUING THE CLASS OR REPRESENTATIVE ACTION (NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT); AND (2) THE PARTY WHO INITIATES OR PARTICIPATES AS A MEMBER OF THE CLASS WILL NOT SUBMIT A CLAIM OR OTHERWISE PARTICIPATE IN ANY RECOVERY SECURED THROUGH THE CLASS OR REPRESENTATIVE ACTION.

F. If this provision is deemed by a court or arbitrator to be unenforceable only as to some Claims asserted by a party, then the parties agree in advance that all proceedings relating to the Claims against which this provision is unenforceable should be stayed and not proceed pending the completion of the arbitration proceeding on all remaining claims.

G. If Borrower, Guarantor, Lender, or Servicer files a Claim in court, such action is not deemed to be a waiver of the right to compel arbitration of any counterclaims, cross-claims, or separate claims that may be asserted against it. In such a case, upon the election of any party, the entire dispute shall be resolved in arbitration pursuant to the provisions of this section.

H. This arbitration section is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16, other applicable federal law, and, to the extent it is applicable, by Utah law.

34. JURY TRIAL WAIVER. To the extent not prohibited by applicable law, Borrower, Guarantors, Lender and Servicer waive their right to a trial by jury of any claim or cause of action based upon, arising out of or related to the Agreement and all other documentation evidencing the Obligations, in any legal action or proceeding. Subject to Section 33, any such claim or cause of action shall be tried by court sitting without a jury.

35. NO WAIVER BY LENDER. No delay or omission on the part of Lender in exercising any rights under this Agreement, any related guaranty or applicable law shall operate as a waiver of such right or any other right. Waiver on any one occasion shall not be construed as a bar to or waiver of any right or remedy on any future occasion. All Lender's rights and remedies, whether evidenced hereby or by any other agreement, instrument or paper, shall be cumulative and may be exercised singularly or concurrently.

36. ASSIGNMENT. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties hereto; provided, however, that Borrower may not assign this Agreement or any rights or duties hereunder without Lender's prior written consent and any prohibited assignment shall be absolutely null and void. No consent to an assignment by Lender shall release Borrower from its Obligations. Lender may assign this Agreement and its rights and duties hereunder and no consent or approval by Borrower is required in connection with any such assignment. Lender reserves the right to sell, assign, transfer, negotiate or grant participations in all or any part of, or any interest in Lender's rights and benefits hereunder. In connection with any assignment or participation, Lender may disclose all documents and information that Lender now or hereafter may have relating to Borrower or Borrower's business. To the extent that Lender assigns its rights and obligations hereunder to another party, Lender thereafter shall be released from such assigned obligations to Borrower and such assignment shall affect a novation between Borrower and such other party. For the avoidance of doubt, Borrower, Guarantors, Lender, and Servicer and their successors or assigns retain the right to compel arbitration under Section 33 even if they assign any rights under this Agreement to another individual or entity. OnDeck (in its capacity as servicer) or a successor servicer (if any) shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain at one of its offices in the United States a copy of each assignment agreement delivered to it with respect to this Loan and a register for the recordation of the name of each assignee of this Loan, and principal and interest amount of this Loan owing to, such assignee pursuant to the terms hereof. The entries in such register shall be conclusive, and Borrower, Lender and each such assignee may treat each person whose name is recorded therein pursuant to the terms hereof as a "Lender" hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The register maintained for this Loan shall be available for inspection by Borrower and any such assignee of this Loan, at any reasonable time upon reasonable prior notice to OnDeck (in its capacity as servicer) or the applicable successor servicer (if any). This Section 36 shall be construed so that this Loan is at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Internal Revenue Code and any related Treasury regulations (or any other relevant or successor provisions of the Internal Revenue Code or of such Treasury regulations).

37. INTERPRETATION. Paragraph and section headings used in this Agreement are for convenience only, and shall not affect the construction of this Agreement. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against Lender or Borrower, whether under any rule of construction or otherwise. On the contrary, this

Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all parties hereto.

38. SEVERABILITY. If one or more provisions of this Agreement (or the application thereof) is determined invalid, illegal or unenforceable in any respect in any jurisdiction, the same shall not invalidate or render illegal or unenforceable such provision (or its application) in any other jurisdiction or any other provision of this Agreement (or its application).

39. NOTICES. Except as otherwise provided in this Agreement, notice under this Agreement must be in writing. Notices will be deemed given when deposited in the U.S. mail, postage prepaid, first class mail; when delivered in person; or when sent by registered mail; by certified mail; or by nationally recognized overnight courier; or when sent by electronic mail. Notice to Borrower and/or any personal guarantor will be sent to Borrower's last known address or electronic mail address in Lender's records for this Loan. Notice to Lender may be sent to our Servicer: OnDeck, 4700 W. Daybreak Pkwy., Suite 200, South Jordan, UT, 84009, Attn: Director of Operations.

40. RECORDKEEPING AND AUDIT REQUIREMENTS. Lender shall have no obligation to maintain any electronic records or any documents, schedules, invoices or any other paper delivered to Lender by Borrower in connection with this Agreement or any other agreement other than as required by law. Borrower will at all times keep accurate and complete records of Borrower's accounts and Collateral. At Lender's request, Borrower shall deliver to Lender: (i) schedules of accounts and general intangibles; and (ii) such other information regarding the Collateral as Lender shall request. Lender, or any of its agents, shall have the right to call any telephone numbers that Borrower has provided or may provide in the future or otherwise in the Lender's possession (including any cellular or mobile telephone numbers) at intervals to be determined by Lender, and without hindrance or delay, to inspect, audit, check, and make extracts from any copies of the books, records, journals, orders, receipts, correspondence that relate to Borrower's accounts and Collateral or other transactions between the parties thereto and the general financial condition of Borrower and Lender may remove any of such records temporarily for the purpose of having copies made thereof. If Borrower was referred to Lender for this Loan by a third party (the "Referring Party"), then Borrower consents to Lender sharing certain reasonable information about Borrower with the Referring Party for purposes of the Referring Party verifying and/or auditing loans made through such Referring Party's referrals.

41. GOVERNING LAW. Subject to Section 33 above, our relationship including this Agreement and any claim, dispute or controversy (whether in contract, tort, or otherwise) at any time arising from or relating to this Agreement is governed by, and this Agreement will be construed in accordance with, applicable federal law and (to the extent not preempted by federal law) Utah law without regard to internal principles of conflict of laws. The legality, enforceability and interpretation of this Agreement and the amounts contracted for, charged and reserved under this Agreement will be governed by such laws. Borrower understands and agrees that (i) Lender is located in Utah, (ii) Lender makes all credit decisions from Lender's office in Utah, (iii) the Loan is made in Utah (that is, no binding contract will be formed until Lender receives and accepts Borrower's signed Agreement in Utah) and (iv) Borrower's payments are not accepted until received by Lender in Utah.

42. WAIVER OF NOTICES AND OTHER TERMS. Except for any notices provided for in this Agreement, Borrower and any person who has obligations pursuant to this Agreement (*e.g.*, a Guarantor), to the extent not prohibited by applicable law hereby, waives demand, notice of nonpayment, notice of intention to accelerate, notice of acceleration, presentment, protest, notice of dishonor and notice of protest. To the extent permitted by applicable law, Borrower and any person who has obligations pursuant to this Agreement also agrees: Lender is not required to file suit, show diligence in collection against Borrower or any person who has obligations pursuant to this Agreement, or proceed against any Collateral; Lender may, but will not be obligated to, substitute, exchange or release any Collateral; Lender may release any Collateral, or fail to realize upon or perfect Lender's security interest in any Collateral; Lender may, but will not be obligated to, sue one or more persons without joining or suing others; and Lender may modify, renew, or extend this Agreement (repeatedly and for any length of time) without notice to or approval by any person who has obligations pursuant to this Agreement (other than the party with whom the modification, renewal or extension is made).

43. MODIFICATIONS OF PAYMENT SCHEDULE. Lender may unilaterally modify the Payment Schedule shown in the accompanying Business Loan and Security Agreement Supplement without prior approval by Borrower or Guarantor, including, but not limited to, extending the repayment term, increasing the total number of payments, or modifying the Payment Amount, so long as the modification does not increase the Total Repayment Amount or the amount of any individual payment above the Payment Amount shown on the Business Loan and Security Agreement Supplement. Any modification of the Payment Schedule will be effective upon notice by Lender to Borrower, which may be provided to

Borrower by posting the notice in the online account, communicating the notice via regular mail at the last known address for Borrower, or via electronic mail at the e-mail address of Borrower in Lender's records. Lender may modify the Payment Schedule pursuant to this paragraph without any notice to Guarantor. Borrower and Guarantor agree that any modification to the Payment Schedule under this paragraph shall not affect Borrower's or Guarantor's obligations under this Business Loan and Security Agreement.

44. MONITORING, RECORDING AND ELECTRONIC COMMUNICATIONS. In order to ensure a high quality of service for Lender's customers, Lender may monitor and/or record telephone calls between Borrower and Lender's employees or agents. Borrower acknowledges that Lender may do so and agrees in advance to any such monitoring or recording of telephone calls. Borrower also agrees that Lender may communicate with Borrower electronically by e-mail.

45. CONFIDENTIALITY. Borrower shall not make, publish or otherwise disseminate in any manner a copy of this Agreement or any public statement or description of the terms of this Agreement, except to its employees, advisors and similar persons who have a legitimate need to know its contents.

46. ENTIRE AGREEMENT. Any application Borrower signed or otherwise submitted in connection with the Loan, the accompanying Business Loan and Security Agreement Supplement and the Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debits) and any other documents required by Lender now or in the future in connection with this Agreement and Borrower's Loan are hereby incorporated into and made a part of this Agreement. This Agreement is the entire agreement of the parties with respect to the subject matter hereof and supersedes any prior written or verbal communications or instruments relating thereto.

47. COUNTERPARTS; ELECTRONIC SIGNATURES. This Agreement may be executed in one or more counterparts, each of which counterparts shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. For purposes of the execution of this Agreement, signatures delivered by electronic or fax transmission shall be treated in all respects as original signatures.

48. CUSTOMER SERVICE CONTACT INFORMATION. If you have questions or comments about your Loan, you may contact our Servicer, OnDeck by (i) e-mail at customerservice@ondeck.com, (ii) telephone at (888) 556-3483 or (iii) mail at 4700 W. Daybreak Pkwy., Suite 200, South Jordan, UT 84009, Attn: Director of Operations.

49. GRANT OF LICENSE TO USE THE ONDECK PLATFORM. Subject to Borrower's compliance with this Agreement and the Terms of Use for the OnDeck Platform, Servicer grants Borrower a nonexclusive, revocable, non-transferable, non-sublicenseable, limited right and royalty-free license to use the OnDeck Platform, effective solely during the term of the Loan and so long as an Event of Default has not occurred. The license granted to Borrower is personal, and no rights hereunder may be transferred by Borrower without the express written approval of Servicer. Servicer may terminate the license granted hereunder without notice at any time after an Event of Default has occurred.

50. PERSONAL GUARANTY. Each Guarantor jointly and severally (if more than one), absolutely and unconditionally guarantee the prompt payment to Lender, including its successors and assignees, of any and all Obligations incurred by the Borrower pursuant to the Agreement (this "Personal Guaranty"). Each Guarantor further agrees to repay the Obligations on demand, without requiring Lender first to enforce payment against Borrower. This is a guarantee of payment and not of collection. This is an absolute, unconditional, primary, and continuing obligation and will remain in full force and effect until the first to occur of the following: (a) all of the Obligations have been indefeasibly paid in full, and Lender has terminated this Personal Guaranty, or (b) 30 days after the date on which written notice of revocation is actually received and accepted by Lender. No revocation will affect: (i) the then existing liabilities of the revoking Guarantor under this Personal Guaranty; (ii) Obligations created, contracted, assumed, acquired or incurred prior to the effective date of such revocation; (iii) Obligations created, contracted, assumed, acquired or incurred after the effective date of such revocation pursuant to any agreement entered into or commitment obtained prior to the effective date of such revocation; or (iv) any Obligations then or thereafter arising under the agreements or instruments then in effect and then evidencing the Obligations. Each Guarantor represents and warrants that (i) it is a legal resident of the United States of America and (ii) neither Borrower, nor itself individually as Guarantor, intends to file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within 6 months of the date hereof. Each Guarantor waives all notices to which the Guarantor might otherwise be entitled by law, and also waives all defenses, legal or equitable, otherwise available to the Guarantor. This Personal Guaranty shall be construed in accordance with the laws of the State of Utah, and shall inure to the benefit of Lender, its successors and assigns. To the extent not prohibited by applicable law, each of the undersigned Guarantors

waives its right to a trial by jury of any claim or cause of action based upon, arising out of or related to this guaranty, the Agreement and all other documentation evidencing the Obligations, in any legal action or proceeding. Subject to Section 33 above, any such claim or cause of action shall be tried by court sitting without a jury.

51. CERTIFICATION AND SIGNATURES. By executing this Agreement or authorizing the person signing or affirming below to execute on its behalf, Borrower certifies that Borrower has received a copy of this Agreement and that Borrower has read, understood and agreed to be bound by its terms. Each person signing or affirming below certifies that each person is signing or affirming on behalf of the Borrower and/or in the capacity indicated below the signer's name (and if Borrower is a sole proprietorship, in the capacity of the owner of such sole proprietorship) and that such signer is authorized to execute this Agreement on behalf of or the in stated relation to Borrower.

Use of Proceeds Certification

As referred to in Section 4, by signing or affirming below, the Borrower certifies, acknowledges and understands that the proceeds from the requested Loan will be used solely for purchasing or acquiring specific products or services, for the following purposes only:

- specified merchandise
- insurance (but not self-insurance programs)
- services or equipment
- inventory or other specified goods
- loans to finance specified sales transactions
- public works projects or educational services (e.g., training)

ondeck

AUTHORIZATION AGREEMENT FOR DIRECT DEPOSIT (ACH CREDIT) AND DIRECT PAYMENTS (ACH DEBITS)

This Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debits) is part of (and incorporated by reference into) the Business Loan and Security Agreement. Borrower should keep this important legal document for Borrower's records.

DISBURSEMENT OF LOAN PROCEEDS. By executing this Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debits), Borrower authorizes Lender to disburse the Loan proceeds less the amount of any applicable fees and in accordance with the Loan Proceeds Disbursement Authorization, if any, upon Loan approval by initiating an ACH credit, wire transfer or similar means to the checking account indicated herein (or a substitute checking account Borrower later identifies and is acceptable to Lender) (hereinafter referred to as the "Designated Checking Account") in the disbursal amount set forth in the accompanying Business Loan and Security Agreement Supplement less any amounts owed to Lender from a prior loan or used to pay off an amount owed to a third party lender. This authorization is to remain in full force and effect until Lender has received written notification from Borrower of its termination in such time and in such manner as to afford Lender and Borrower's depository bank a reasonable opportunity to act on it.

AUTOMATIC PAYMENT PLAN. Enrollment in Lender's Automatic Payment Plan is required for Loan approval. By executing this Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debits), Borrower agrees to, and hereby, enrolls in the Automatic Payment Plan and authorizes Lender to collect payments required under the terms of Borrower's Business Loan and Security Agreement by initiating ACH debit entries to the Designated Checking Account in the amounts and on or after the dates provided in the payment schedule set forth in the accompanying Business Loan and Security Agreement Supplement. Borrower authorizes Lender to resubmit any returned or failed ACH Debit for any previously scheduled payment(s) that was not paid as provided in the Payment Schedule, as permitted by law and network rules. This authorization is to remain in full force and effect until Lender has received written notification from Borrower of its termination no less than three business days before a scheduled payment. Lender may suspend or terminate Borrower's enrollment in the Automatic Payment Plan immediately if Borrower fails to keep Borrower's designated checking account in good standing or if there are insufficient funds in Borrower's checking account to process any payment (or if Lender is otherwise unable to collect any amounts by ACH debit owed to Lender under the Loan or under any other loan or extension of credit by Lender to Borrower). **If Borrower revokes the authorization or Lender suspends or terminates Borrower's enrollment in the Automatic Payment Plan, Borrower still will be responsible for making timely payments pursuant to the alternative payment methods described in the Business Loan and Security Agreement.**

MODIFICATION OF PAYMENT SCHEDULE. Borrower and Guarantor agree that Lender may unilaterally modify the agreed Payment Schedule pursuant to Paragraph 43 of the Business Loan and Security Agreement. Enrollment in Lender's Automatic Payment Plan authorizes Lender to debit the Designated Checking Account under Lender's Automatic Payment Plan pursuant to any modified Payment Schedule made in accordance with Paragraph 43 of the Business Loan and Security Agreement.

PROVISIONAL PAYMENT. Credit given by us to you with respect to an automated clearing house ("ACH") credit entry is provisional until we receive final settlement for such entry through a Federal Reserve Bank. If we do not receive such final settlement, you are hereby notified and agree that we are entitled to a refund of the amount credited to you in connection with such entry, and the party making to you via such entry (i.e. the originator of the entry) shall not be deemed to have paid you in the amount of such entry.

ACH AUTHORIZATION FOR MATERIAL MISREPRESENTATIONS. In the event that we determine that you made any material misrepresentation in your application (including, but not limited to, misrepresenting your business revenue, altering bank statements, misrepresenting the purpose of the funds, etc.) you authorize Lender to debit the Designated Checking Account the full Disbursement Amount identified in the Business Loan and Security Agreement Supplement. In the event that Lender exercises this option and debits the Disbursement Amount from your Designated Checking Account, you agree that all other terms of the Business Loan and Security Agreement, including the Arbitration Agreement and Class Action Waiver, shall remain in full force and effect.

NOTICE OF RECEIPT OF ENTRY. Under the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account, we are not required to give next day notice to you of receipt of an ACH item and we will not do so.

CHOICE OF LAW. We may accept on your behalf payments to your account which have been transmitted through one or more Automated Clearing Houses ("ACH") and which are not subject to the Electronic Fund Transfer Act and your rights

and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the state of Utah, unless it has otherwise specified in a separate agreement that the law of some other state shall govern.

BUSINESS PURPOSE ACCOUNT. By executing this Authorization Agreement for Direct Deposit (ACH Credit) and Direct Payments (ACH Debits), Borrower attests that the Designated Checking Account was established for business purposes and not primarily for personal, family or household purposes.

ACCOUNT CHANGES. Borrower agrees to promptly notify Lender in writing if there are any changes to the account and routing numbers of the Designated Checking Account.

MISCELLANEOUS. Lender is not responsible for any fees charged by Borrower's bank as the result of credits or debits initiated under this agreement. The origination of ACH transactions to Borrower's account must comply with the provisions of U.S. law. Borrower agrees to be bound by NACHA rules of the Electronic Payments Association.

Routing Number: _____ Account Number: _____

Tax ID: _____

By: **Willis Lee**
(Signature)

Name: Willis Lee

Date: 2026-09-17

Signature Page

I hereby, as a duly authorized agent of Borrower, and in my individual and personal capacity as Guarantor, affirm that I have read and understand the terms and conditions of, consent to, and agree to be bound by, the Business Loan and Security Agreement (inclusive of the Guaranty and Arbitration Agreement therein), the accompanying Business Loan and Security Agreement Supplement, and the accompanying Authorization Agreement for Direct Deposit (ACH Credits) and Direct Payments (ACH Debits).

Guarantor #1:	Willis Lee	**Borrower:**	**EMMAUS MEDICAL, INC.**
	(Signature)	**By:**	Willis Lee
Name:	Willis Lee		(Signature)
Date:	2026-09-17	Name:	Willis Lee
		Date:	2026-09-17
Guarantor #2:		**By:**	
	(Signature)		(Signature)
Name:		Name:	
Date:		Date:	
Guarantor #3:		**By:**	
	(Signature)		(Signature)
Name:		Name:	
Date:		Date:	

For Lender's Use Only: This Agreement has been received and accepted by Lender in Utah after being signed by Borrower and any Guarantor(s).	
By:	Bradley C. Bybee
	(Signature)
	Bradley C. Bybee
	(Name)
Date:	2026-09-17

Exhibit 10.2

BUSINESS LOAN AND SECURITY AGREEMENT

THIS BUSINESS LOAN AND SECURITY AGREEMENT (as the same may be amended, restated, modified, or supplemented from time to time, this "**Agreement**") dated as of September 18, 2026(the "**Effective Date**") among Agile Capital Funding, LLC as collateral agent (in such capacity, together with its successors and assigns in such capacity, **"Collateral Agent**"), and Agile Lending, LLC, a Virginia limited liability company ("**Lead Lender**") and each assignee that becomes a party to this Agreement pursuant to Section 12.1 (each individually with the Lead Lender, a "Lender" and collectively with the Lead Lender, the "Lenders"), and **EMMAUS MEDICAL, INC., A DOMESTIC DELAWARE CORPORATION ("Parent" or "Borrower")** and its affiliates**,, and EMMAUS LIFE SCIENCES, INC., A DOMESTIC DELAWARE CORPORATION, and EMI HOLDING, INC., A DOMESTIC DELAWARE CORPORATION** individually and collectively, jointly and severally, "**Guarantors**"), and provides the terms on which the Lenders shall lend to Borrower and Borrower shall repay the Lenders the loans described herein. The Collateral Agent, Lenders, and Borrower, each a "Party" and collectively the "Parties", intending to be legally bound, hereby agree as follows:

1. DEFINITIONS, ACCOUNTING AND OTHER TERMS

1. Capitalized terms used herein shall have the meanings set forth in Section 13 to the extent defined therein. All other capitalized terms used but not defined herein shall have the meaning given to such terms in the Code. Any accounting term used but not defined herein shall be construed in accordance with GAAP and all calculations shall be made in accordance with GAAP. The term "financial statements" shall include the accompanying notes and schedules thereto. Any section, subsection, schedule or exhibit references are to this Agreement unless otherwise specified.

2. LOANS AND TERMS OF PAYMENT

1. Promise to Pay. Borrower hereby unconditionally promises to pay each Lender the outstanding principal amount of the Term Loan advanced to Borrower by such Lender and accrued and unpaid interest thereon and any other amounts due hereunder as and when due in accordance with this Agreement.

2. Term Loans.

(a) Availability. The Lenders, relying upon each of the representations and warranties set out in this Agreement, as well as each of the representations, covenants and warranties set out in the other Loan Documents, hereby severally and not jointly agree with the Borrower that, subject to and upon the terms and conditions of this Agreement, shall advance the Principal Loan to the Borrower on the Effective Date, but in any event no later than two (2) Business Days after the date hereof, by wiring the funds to the Borrower's Account.

(b) Repayment. Borrower agrees to pay all amounts owing pursuant to the terms of this Agreement, including any financing charge, specified fees, interest and any other charges that may be assessed as provided in this Agreement or as documented in the Business Loan and Security Agreement Supplement (the "**Supplement**") or the Secured Promissory Note (as defined below). The Term Loan shall be repaid by Borrower on the dates specified on Exhibit B-4 of this Agreement (each a "**Scheduled Repayment Date**") by the amount set out opposite each Scheduled Repayment Date (each a "**Scheduled Repayment Amount**") and in accordance with the Term Loan Amortization Schedule. If any payment on the Secured Promissory Note is due on a day which is not a Business
Day, such payment shall be due on the next succeeding Business Day, and such extension of time shall be taken into account in calculating the amount of interest payable under this Note. All unpaid principal and accrued and unpaid interest with respect to the Term Loan is due and payable in full on the Maturity Date. The Term Loan may only be prepaid in accordance with Sections 2.2(c) and 2.2(d). Once repaid, no portion of the Term Loan may be reborrowed.

(c) Mandatory Prepayments. If an event described in Section 7.2 hereof occurs, or the Term Loan is accelerated following the occurrence of an Event of Default, Borrower shall immediately pay to Lenders, payableto each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of: (i) all outstanding

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principal of the Term Loans plus accrued and unpaid interest thereon through the prepayment date, (ii) the Prepayment Fee (as defined in Section 2.2(d) below), plus (iii) all other Obligations that are due and payable, including, without limitation, interest at the Default Rate with respect to any past due amounts.

(d) Permissive Prepayments and Make-Whole Premium. Borrower shall have the right to make a full prepayment or partial prepayment of any or all of the Obligations in accordance with the prepayment amendment in Exhibit E of this Agreement. The foregoing notwithstanding, upon the prepayment of any principal amount, Borrower shall be obligated to pay a make-whole premium payment on account of such principal so paid, which shall be equal to the aggregate and actual amount of interest (at the contract rate of interest) that would be paid through the Maturity Date ("**Prepayment Fee**").

3. Payment of Interest on the Term Loans.

(a) Interest Rate. Borrower agrees to pay in full the interest as set forth in the Supplement found in Exhibit B-5 of this Agreement. Interest shall accrue on the Term Loan commencing on, and including, the Effective Date of such Term Loan, and shall accrue on the principal amount outstanding under the Term Loan through and including the day on which the Term Loan is paid in full.

(b) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, Obligations shall accrue interest at a fixed per annum rate equal to the rate that is otherwise applicable thereto plus five percentage points (5.00%) (the "**Default Rate**"). Payment or acceptance of the increased interest rate provided in this Section 2.3(b) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Collateral Agent.

(c) 360 Day Year. Interest shall be computed on the basis of a three hundred sixty (360) day year and the actual number of days elapsed.

(d) Debit of Accounts; Payments. All payments on the Secured Promissory Note shall be made via automated clearing house transfers of immediately available funds to be initiated by Lender in accordance with the authorization and direction of Borrower to Lead Lender provided in Exhibit B-6 of this Agreement.

(e) Usury Savings Clause. This Agreement and the other Loan Documents are subject to the express condition that at no time shall Borrower be required to pay interest on the principal balance of the Term Loan at a rate which could subject Lenders to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If by the terms of this Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to the Collateral Agent or Lenders for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full.

4. Fees. Borrower shall pay to Collateral Agent and/or Lenders:

(a) Administrative Agent Fee. The Administrative Agent Fee of ONE HUNDRED TWENTY THOUSAND DOLLARS ($120,000.00, which shall be paid at closing out of proceeds of the Term Loan for the account of Collateral Agent.

5. Secured Promissory Notes. The Term Loan shall be evidenced by a Secured Promissory Note in the form attached as Exhibit D hereto ("**Secured Promissory Note**") and shall be repayable as set forth in this Agreement.

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3. CONDITIONS OF LOANS

1. Conditions Precedent to Term Loan. Each Lender's obligation to make the Term Loan is subject to the condition precedent that each Lender shall consent to or shall have received, in form and substance satisfactory

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to each Lender, such documents, and completion of such other matters, as each Lender may reasonably deem necessary or appropriate.

4. CREATION OF SECURITY INTEREST

1. **Grant of Security Interest**. Effective from and after the Effective Date of the Term Loan, Borrower hereby grants Collateral Agent, for the ratable benefit of the Lenders, to secure the payment and performance in full of all of the Obligations, a continuing security interest in, and pledges to Collateral Agent, for the ratable benefit of the Lenders, the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. If Borrower shall acquire a commercial tort claim (as defined in the Code), Borrower shall grant to Collateral Agent, for the ratable benefit of the Lenders, a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Collateral Agent. If this Agreement is terminated, Collateral Agent's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity obligations) and at such time as the Lenders' obligation to extend the Term Loan has terminated, Collateral Agent shall, at the sole cost and expense of Borrower, release its Liens in the Collateral and all rights therein shall revert to Borrower.

2. **Authorization to File Financing Statements**. Borrower hereby authorizes Collateral Agent to file such financing statements and/or take any other action required to perfect Collateral Agent's security interests in the Collateral, without notice to Borrower, with all appropriate jurisdictions to perfect or protect Collateral Agent's interest or rights in the Collateral and under the Loan Documents; *provided, however*, **Collateral Agent may only file such financing statements and/or take any other action required to perfect Collateral Agent's security interests in the Collateral, upon the occurrence of an Event of Default.**

3. **Guaranty**. (Intentionally omitted).

5. REPRESENTATIONS AND WARRANTIES

Each Borrower, jointly and severally, represents and warrants to Collateral Agent and the Lenders as follows:

1. **Due Organization, Authorization: Power and Authority**. Each Borrower and each of its respective Subsidiaries is duly formed, validly existing and in good standing as under the laws of its jurisdiction of organization or formation and each Borrower and each of its respective Subsidiaries is qualified and licensed to do business and is in good standing in any jurisdiction in which the conduct of its businesses or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to result in a Material Adverse Change.

2. **Collateral**. Borrower and Subsidiaries have good title to, have rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien under the Loan Documents, free and clear of any and all Liens except Permitted Liens, and neither Borrower nor any of its Subsidiaries have any deposit accounts, securities accounts, commodity accounts or other investment accounts other than the collateral accounts or other investment accounts (the "**Collateral Accounts**"), if any, described in the Perfection Certificates delivered to Collateral Agent in connection herewith with respect to which Borrower has given Collateral Agent notice and taken, subject to Section 6.6 (a), such actions as are necessary to give Collateral Agent a perfected security interest therein. The security interests granted herein are and shall at all times continue to be a first priority perfected security interest in the Collateral, subject only to Permitted Liens that are permitted by the terms of this Agreement to have priority to Collateral Agent's Lien. All Inventory and Equipment that is part of the Collateral is in all material respects of good and marketable quality, free from material defects.

3. **Litigation**. Except as disclosed on the Perfection Certificate, there are no actions, suits, investigations, or proceedings pending or, to the knowledge of any of the Responsible Officers, threatened in writing by or against Borrower or any of its Subsidiaries involving more than Fifty Thousand Dollars ($50,000.00).

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4. **No Material Adverse Change; Financial Statements**. All consolidated financial statements for Parent and its Subsidiaries, delivered to Collateral Agent fairly present, in conformity with GAAP, in all material respects the consolidated financial condition of Parent and its Subsidiaries, and the consolidated results of operations of Parent and its Subsidiaries. Since the date of the most recent financial statements submitted to any Lender, therehas not been a Material Adverse Change.

5. **Solvency**. Borrower and each of its Subsidiaries, when taken as a whole, is Solvent.

6. **Regulatory Compliance**. Neither Borrower nor any of its Subsidiaries has violated any laws, ordinances or rules, the violation of which could reasonably be expected to result in a Material Adverse Change. Borrower and each of its Subsidiaries has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all governmental authorities that are necessary to continue their respective businesses as currently conducted.

7. **Investments**. Neither Borrower nor any of its Subsidiaries owns any stock, shares, partnership interestsor other equity securities except for Permitted Investments.

8. **Tax Returns and Payments; Pension Contributions**. Each Borrower and each of its respective Subsidiaries has timely filed all required tax returns and reports, and, except as disclosed, each Borrower and eachof its respective Subsidiaries, has timely paid all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by such Borrower and such Subsidiaries, in all jurisdictions in which such Borrower or any such Subsidiary is subject to taxes, including the United States, unless such taxes are being contested in good faith.

9. **Use of Proceeds**. Borrower shall use the proceeds of the Term Loan solely to fund its general business requirements in accordance with the provisions of this Agreement, and not for personal, family, household or agricultural purposes.

10. **Full Disclosure**. No written representation, warranty or other statement of any Borrower or any of its Subsidiaries in any certificate or written statement given to Collateral Agent or any Lender, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements given to Collateral Agent or any Lender, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized that projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

11. **Shares**. Each Borrower has full power and authority to create a first lien on its Shares and no disabilityor contractual obligation exists that would prohibit such Borrower from pledging the Shares pursuant to this Agreement. To Borrower's knowledge, there are no subscriptions, warrants, rights of first refusal or other restrictions on transfer relative to, or options exercisable with respect to the Shares. With respect to each Subsidiary which is a corporation, the Shares have been and will be duly authorized and validly issued, and are fully paid and non-assessable. To Borrower's knowledge, the Shares are not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and Borrower knows of no reasonable grounds for the institution of any such proceedings.

12. **Guarantee**. (Intentionally omitted)

6. AFFIRMATIVE COVENANTS

Borrower shall, and shall cause each of its Subsidiaries to, do all of the following:

1. **Government Compliance**. Maintain its and all its Subsidiaries' legal existence and good standing in their respective jurisdictions of organization and maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to have a Material Adverse Change.

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6.2 Financial Statements, Reports, Certificates, Notices.

(a) Deliver to Collateral Agent and each Lender: (i) as soon as available, but no later than thirty (30) days after the last day of each month, a company prepared consolidated and consolidating balance sheet, income statement and cash flow statement covering the consolidated operations of Parent and its Subsidiaries for such month certified by a Responsible Officer and in a form reasonably acceptable to Collateral Agent; (ii) prompt notice of any material amendments of or other changes to the capitalization table of Borrower (other than Parent) and to the Operating Documents of Borrower or any of its Subsidiaries, together with any copies reflecting such amendments or changes with respect thereto; (iii) as soon as available, but no later than thirty (30) days after the last day of each month, copies of the month end account statements for each Collateral Account maintained by Borrower or its Subsidiaries, which statements may be provided to Collateral Agent and each Lender by Borrower or directly from the applicable institution(s); (iv) prompt notice of any event that (A) could reasonably be expected to materially and adversely affect the Borrower's Intellectual Property and (B) could reasonably be expected to result in a Material Adverse Change; (v) written notice at least (10) days' prior to Borrower's creation of a new Subsidiary in accordance with the terms of Section 6.10; (vi) written notice at least (30) days' prior to Borrower's (A) changing its jurisdiction of organization, (B) changing its organizational structure or type, (C) changing its legal name, (D) changing any organizational number (if any) assigned by its jurisdiction of organization, or (E) registering or filing any Intellectual Property; (vii) upon Borrower becoming aware of the existence of any Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, prompt (and in any event within three (3) Business Days) written notice of such occurrence, which such notice shall include a reasonably detailed description of such Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default; (viii) notice of any commercial tort claim of Borrower or any Guarantor and of the general details thereof; (ix) other information as reasonably requested by Collateral Agent or any Lender. (x) written notice of any litigation or governmental proceedings pending or threatened (in writing) against Borrower or any of its Subsidiaries, which could reasonably be expected to result in damages or costs to Borrower or any of its Subsidiaries of more than Fifty Thousand Dollars ($50,000.00); and (xi) written notice of all returns, recoveries, disputes and claims regarding Inventory that involve more than Fifty Thousand Dollars ($50,000.00) individually or in the aggregate in any calendar year.

(b) Keep proper, complete and true books of record and account in accordance with GAAP and in all material respects. Borrower shall, and shall cause each of its Subsidiaries to, allow, at the sole cost of Borrower, Collateral Agent or any Lender, during regular business hours upon reasonable prior notice (provided that no notice shall be required when an Event of Default has occurred and is continuing), to visit and inspect any of its properties, to examine and make abstracts or copies from any of its books and records, and to conduct a collateral audit and analysis of its operations and the Collateral. Such audits shall be conducted no more often than twice every year unless (and more frequently if) an Event of Default has occurred and is continuing. Notwithstanding the foregoing, upon request of any Lender, Borrower agrees to permit such Lender to communicate with Borrower's accounting firm, in the presence of a Responsible Officer of the Borrower or the Parent, with respect to the consolidated financial statements delivered pursuant to this Section 6.2.

3. **Inventory and Returns**. Keep all Inventory in good and marketable condition, free from material defects. Returns and allowances between Borrower, or any of its Subsidiaries, and their respective account debtors shall follow Borrower's, or such Subsidiary's, customary practices as they exist at the Effective Date.

4. **Taxes.** Timely file and require each of its Subsidiaries to timely file, all required tax returns andreports and timely pay, and require each of its Subsidiaries to timely pay, all foreign, federal, state, and local taxes, assessments, deposits and contributions owed by Borrower or its Subsidiaries, except as otherwise permitted pursuant to the terms of Section 5.8 hereof.

5. **Insurance**. Keep Borrower's and its Subsidiaries' business and the Collateral insured for risks and in amounts standard for companies in Borrower's and its Subsidiaries' industry and location and as Collateral Agent may reasonably request (including customary lender's loss payable endorsements and naming the Collateral Agent as an additional insured), and give the Collateral Agent thirty (30) days' prior written notice before any such policy or policies shall be materially altered or canceled (other than cancellation for non-payment of premiums, for which ten (10) days' prior written notice shall be required). At Collateral Agent's request, Borrower shall deliver certified copies of policies and evidence of all premium payments to Collateral Agent. If Borrower or any of its Subsidiaries.

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fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons, Collateral Agent and/or any Lender may make (but has no obligation to do so), at Borrower's expense, all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Collateral Agent or such Lender deems prudent.

6. **Operating Accounts**. Borrower shall provide Collateral Agent ten (10) days' prior written notice before Borrower or any of its Subsidiaries establishes any Collateral Account.

7. **Litigation Cooperation**. Commencing on the Effective Date and continuing through the termination of this Agreement, make available to Collateral Agent and the Lenders, without expense to Collateral Agent or the Lenders, Borrower and each of Borrower's officers, employees and agents and Borrower's books and records, to the extent that Collateral Agent or any Lender may reasonably deem them necessary to prosecute or defend any third party suit or proceeding instituted by or against Collateral Agent or any Lender with respect to any Collateral or relating to Borrower.

8. **Landlord Waivers; Bailee Waivers**. In the event that Borrower, after the Effective Date, intends to add any new offices or business locations, including warehouses, or otherwise store any portion of the Collateral with, or deliver any portion of the Collateral to, a bailee, in each case pursuant to Section 7.2, then Borrower must first receive the written consent of Collateral Agent to do so.

9. **Further Assurances**. Execute any further instruments and take any and all further action as Collateral Agent or any Lender reasonably requests to perfect or continue Collateral Agent's Lien in the Collateral or to effect the purposes of this Agreement, including without limitation, permit Collateral Agent or any Lender to discuss Borrower's financial condition with Borrower's accountants in the presence of a Responsible Officer of the Borrower or the Parent.

10. **Lockbox Agreement.** Upon the request of any Lender at any time after the Effective Date and for any reason in Lenders' sole and absolute discretion, Borrower shall enter into a lockbox arrangement with Lenderswith respect to Borrower's accounts receivable at a financial institution of the Lenders' choosing in their sole and absolute discretion and shall execute a deposit control agreement in favor of Lenders in a form satisfactory to Lenders in their sole and absolute discretion.

7. NEGATIVE COVENANTS

Borrower shall not, and shall not permit any of its Subsidiaries to, do any of the following without the prior written consent of the Required Lenders:

1. **Dispositions**. Convey, sell, lease, transfer, assign, dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property (including Intellectual Property), except for Transfers (a) of (i) Inventory in the ordinary course of business and (ii) Inventory, that, prior to the Effective Date, has been written down or written off, together with related tangible assets and non-material Intellectual Property;
(b) of worn out or obsolete Equipment; (c) in connection with Permitted Liens, Permitted Investments and Permitted Licenses; (d) of any non-material Intellectual Property; (e) from (i) Borrower to another Borrower Guarantor, (ii) a non-Borrower Subsidiary to a Borrower, and (iii) a non-Borrower Subsidiary to another non-Borrower ; or (f) permitted under Section 7.3 below.

2. **Changes in Business or Management, Ownership**. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses engaged in by Borrower as of the Effective Date or reasonably related thereto; (b) liquidate or dissolve or permit any of its Subsidiaries to liquidate or dissolve; or (c) cause or permit, voluntarily or involuntarily, any Key Person to cease to be actively engaged in the management of Borrower unless written notice thereof is provided to Collateral Agent and each Lender within ten (10) days of such Key Person ceasing to be actively engaged in the management of Borrower,

3. **Mergers or Acquisitions**. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the capital stock, shares or property of another Person.

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4. **Indebtedness**. Create, incur, assume, or be liable for any Indebtedness, or permit any Subsidiary to doso, other than Permitted Indebtedness.**For the avoidance of doubt, Indebtedness includes Merchant Cash Advances**.

5. **Encumbrance**. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, or permit any of its Subsidiaries to do so, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein (except for Permitted Liens), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Collateral Agent, for the ratable benefit of the Lenders) with any Person which directly or indirectly prohibits or has the effect of prohibiting Borrower, or any of its Subsidiaries, from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's or such Subsidiary's Intellectual Property.

6. **Maintenance of Collateral Accounts**. Maintain any Collateral Account except pursuant to the terms of Section 6.6 hereof.

7. **Restricted Payments**. Pay any dividends (other than dividends payable solely in capital stock) or make any distribution or payment in respect of or redeem, retire or purchase any capital stock.

8. **Investments**. Directly or indirectly make any Investment other than Permitted Investments, or permit any of its Subsidiaries to do so.

9. **Transactions with Affiliates**. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Borrower or any of its Subsidiaries (other than among Borrower), except for (a) transactions that are in the ordinary course of Borrower's or such Subsidiary's business, upon fair and reasonable terms that are no less favorable to Borrower or such Subsidiary than would be obtained in an arm's length transaction with a non-affiliated Person, and (b) Subordinated Debt or equity investments by Borrower's investors in Borrower or its Subsidiaries.

10. **Subordinated Debt**. Make or permit any payment on any Subordinated Debt or alternative financings that may encumber any assets of Borrower.

11. **Material Agreements**. Other than in the ordinary course of business, (a) enter into a Material Agreement or (b) terminate or materially amend a Material Agreement.

12. Financial Covenants. Waived.

8. EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

1. **Payment Default**. Borrower fails to (a) make any payment of principal or interest on the Term Loan on its due date, or (b) pay any other Obligation within three (3) Business Days after such Obligation is due and payable (which three (3) Business Day grace period shall not apply to payments due on the Maturity Date or the date of acceleration pursuant to Section 9.1 (a) hereof.

2. **Covenant Default**. Borrower or any of its Subsidiaries fails or neglects to perform any obligation in Sections 6.2 (Financial Statements, Reports, Certificates), 6.4 (Taxes), 6.5 (Insurance), 6.6 (Operating Accounts), or Borrower violates any provision in Section 7.

3. Material Adverse Change. A Material Adverse Change has occurred.

4. Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Borrower or any of its Material Subsidiaries or of any entity under control of Borrower or its Material Subsidiaries on deposit with any institution at which Borrower or any of its Subsidiaries maintains a Collateral Account, or (ii) a notice of

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lien, levy, or assessment is filed against Borrower or any of its Material Subsidiaries or their respective assets by any government agency, and the same under subclauses (i) and (ii) hereof are not, within ten (10) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); and

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

8.5 Insolvency. (a) Parent is or becomes Insolvent; (b) Parent and its Subsidiaries, taken as a whole, are or become Insolvent; (c) Borrower or any Material Subsidiary begins an Insolvency Proceeding; or (d) an Insolvency Proceeding is begun against Borrower or any Material Subsidiary and is not dismissed or stayed within forty five (45) days (but no Term Loan shall be extended while Parent or any Subsidiary is Insolvent and/or until any Insolvency Proceeding is dismissed);

6. Other Agreements. There is a default in any agreement between Borrower or any of its Subsidiaries and a third party or parties resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness.

7. Judgments. (a) One or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least Fifty Thousand Dollars ($50,000.00) (not covered by independent third party insurance) shall be rendered against Borrower or any of its Subsidiaries and shall remain unsatisfied, unvacated, or unstayed for a period of twenty (20) days after the entry thereof or (b) any judgments, orders or decrees rendered against Borrower that could reasonably be expected to result in a Material Adverse Change;

8. Misrepresentations. Borrower or any of its Subsidiaries or any Person acting for Borrower or any of its Subsidiaries makes any representation, warranty, or other statement now or later in this Agreement, any Loan Document or in any writing delivered to Collateral Agent and/or Lenders or to induce Collateral Agent and/or the Lenders to enter this Agreement or any Loan Document, and such representation, warranty, or other statement, when taken as a whole, is incorrect in any material respect when made.

9. Subordinated Debt. A default or breach occurs under any agreement between Borrower or any of its Subsidiaries and any creditor of Borrower or any of its Subsidiaries that signed a subordination, intercreditor, or other similar agreement with Collateral Agent or the Lenders, or any creditor that has signed such an agreement with Collateral Agent or the Lenders breaches any terms of such agreement;

10. Guaranty. (Intentionally Omitted)

11. Lien Priority. Any Lien created hereunder or by any other Loan Document shall at any time fail to constitute a valid and perfected first Lien on any of the Collateral purported to be secured thereby, subject to no prior or equal Lien, other than Permitted Liens arising as a matter of applicable law.

9. RIGHTS AND REMEDIES

1. Rights and Remedies. Upon the occurrence of an Event of Default hereunder (unless all Events of Default have been cured by Borrower, as applicable, or waived by Lenders in writing), Lenders may, at their option:
(i) by written notice to Borrower, declare the entire unpaid principal balance of the Term Loan, together with all accrued interest thereon and any other charges or fees payable hereunder, immediately due and payable regardless of any prior forbearance and (ii) exercise any and all rights and remedies available to it hereunder, under the Secured Promissory Note and/or under applicable law, including, without limitation, the right to collect from Borrower all sums due under this Agreement and the Secured Promissory Note and repossess any Collateral at Borrower's expense. Borrower shall pay all reasonable costs and expenses incurred by or on behalf of Lenders or Collateral Agent in connection with Lenders' exercise of any or all of its rights and remedies under this Agreement or the Secured Promissory Note, including, without limitation, reasonable attorneys' fees. Borrower waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect.

2. Power of Attorney. Borrower hereby irrevocably appoints Collateral Agent as its lawful attorney in fact, exercisable upon the occurrence and during the continuance of an Event of Default, to: (a) endorse Borrower's or

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any of its Subsidiaries' name on any checks or other forms of payment or security; (b) sign Borrower's or any of its Subsidiaries' name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Collateral Agent determines reasonable; (d) make, settle, and adjust all claims under Borrower's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Collateral Agent or a third party as the Code or any applicable law permits. Borrower hereby appoints Collateral Agent as its lawful attorney in fact to sign Borrower's or any of its Subsidiaries' name on any documents necessary to perfect or continue the perfection of Collateral Agent's security interest in, and lien on, the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity obligations) have been satisfied in full and Collateral Agent and the Lenders are under no further obligation to extend the Term Loan hereunder. Collateral Agent's foregoing appointment as Borrower's or any of its Subsidiaries' attorney in fact, and all of Collateral Agent's rights and powers, coupled with an interest, are irrevocable until all Obligations (other than inchoate indemnity obligations) have been fully repaid and performed and Collateral Agent's and the Lenders' obligation to provide the Term Loan terminates.

3. **No Waiver; Remedies Cumulative**. Failure by Collateral Agent or any Lender, at any time or times, to require strict performance by Borrower of any provision of this Agreement or any other Loan Document shall not waive, affect, or diminish any right of Collateral Agent or any Lender thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by Collateral Agent andthe Required Lenders and then is only effective for the specific instance and purpose for which it is given. The rights and remedies of Collateral Agent and the Lenders under this Agreement and the other Loan Documents are cumulative. Collateral Agent and the Lenders have all rights and remedies provided under the Code, any applicable law, by law, or in equity. The exercise by Collateral Agent or any Lender of one right or remedy is not an election, and Collateral Agent's or any Lender's waiver of any Event of Default is not a continuing waiver. Collateral Agent's or any Lender's delay in exercising any remedy is not a waiver, election, or acquiescence.

4. **Demand Waiver**. Borrower waives, to the fullest extent permitted by law, demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, nonpayment at maturity, release, compromise, settlement, extension, or renewal of accounts, documents, instruments, chattel paper, and guarantees held by Collateral Agent or any Lender on which Borrower or any Subsidiary is liable.

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10. NOTICES

All notices, consents, requests, approvals, demands, or other communication (collectively, "**Communication**") by any party to this Agreement or any other Loan Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by facsimile transmission or e-mail; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if hand delivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number, or email address indicated below. Any of Collateral Agent, any Lender or Borrower may change its mailing address or facsimile number by giving the other party written notice thereof in accordance with the terms of this Section 10.

If to Borrower: Willis Lee
21250 Hawthorne Blvd., Suite 800
Torrance, CA 90503

E-Mail Address: info@emmausmedical.com

If to Collateral Agent:

Agile Capital Funding, LLC
244 Madison Ave, Suite 168
New York, NY 10016
E-Mail Address:
aaron@agilecapitalfunding.com

11. CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER

1. Waiver of Jury Trial. EACH OF BORROWER, COLLATERAL AGENT AND LENDERS UNCONDITIONALLY WAIVES ANY AND ALL RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS, ANY OF THE INDEBTEDNESS SECURED HEREBY, ANY DEALINGS AMONG BORROWER, COLLATERAL AGENT AND/OR LENDERS RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED AMONG BORROWER, COLLATERAL AGENT AND/OR LENDERS. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. THIS WAIVER IS IRREVOCABLE. THIS WAIVER MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING. THE WAIVER ALSO SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THIS TRANSACTION OR ANY RELATED TRANSACTION. THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

2. Governing Law and Jurisdiction.

(a) THIS AGREEMENT, THE OTHER LOAN DOCUMENTS (EXCLUDING THOSE LOAN DOCUMENTS THAT BY THEIR OWN TERMS ARE EXPRESSLY GOVERNED BY THE LAWS OF ANOTHER JURISDICTION) AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE COMMONWEALTH OF VIRGINIA (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAWS OTHER THAN THE LAWS OF THE COMMONWEALTH OF VIRGINIA), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, REGARDLESS OF THE LOCATION OF THE COLLATERAL, PROVIDED, HOWEVER, THAT IF THE LAWS OF ANY JURISDICTION OTHER THAN VIRGINIA SHALL GOVERN IN REGARD TO THE VALIDITY, PERFECTION OR EFFECT OF PERFECTION OF ANY LIEN OR IN REGARD TO PROCEDURAL MATTERS AFFECTING ENFORCEMENT

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OF ANY LIENS IN COLLATERAL, SUCH LAWS OF SUCH OTHER JURISDICTIONS SHALL CONTINUE TO APPLY TO THAT EXTENT.

(b) Submission to Jurisdiction. Any legal action or proceeding with respect to the Loan Documents shall be brought exclu the courts of the Commonwealth of Virginia, including, without limitation the Circuit Court of Arlington County in the Commonwealth of Virginia and, by execution and delivery of this Agreement, Borrower hereby accepts for itself and in respect of its Property, generally and unconditionally, the jurisdiction of the aforesaid courts. Notwithstanding the foregoing, Collateral Agent and Lenders shall have the right to bring any action or proceeding against Borrower (or any property of Borrower) in the court of any other jurisdiction Collateral Agent or Lenders deem necessary or appropriate in order to realize on the Collateral or other security for the Obligations. The parties hereto hereby irrevocably waive any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, that any of them may now or hereafter have to the bringing of any such action or proceeding in such jurisdictions. Borrowers expressly acknowledge that they are subject to personal jurisdiction in the Commonwealth of the Virginia, that they intentionally entered into the transactions that are the subject of this Agreement with Collateral Agent and Lender, who are located in the Commonwealth of Virginia, and that Borrowers waive any and all objections to the exercise of personal jurisdiction over them of the Commonwealth of Virginia and to venue in the Circuit Court for Arlington County, Virginia and any other court within the Commonwealth of Virginia.

(c) Service of Process. Borrower irrevocably waives personal service of any and all legal process, summons, notices and oth documents and other service of process of any kind and consents to such service in any suit, action or proceeding brought in the United States of America with respect to or otherwise arising out of or in connection with any Loan Document by any means permitted by applicable requirements of law, including by the mailing thereof (by registered or certified mail, postage prepaid) to the address of Borrower specified herein (and shall be effective when such mailing shall be effective, as provided therein). Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(d) Non-exclusive Jurisdiction. Nothing contained in this Section 11.2 shall affect the right of Collateral Agent or Lenders t process in any other manner permitted by applicable requirements of law or commence legal proceedings or otherwise proceed against Borrower in any other jurisdiction.

12. GENERAL PROVISIONS

1. Successors and Assigns. This Agreement binds and is for the benefit of the successors and permitted assigns of each Party. Borrower may not transfer, pledge or assign this Agreement or any rights or obligations under it without Collateral Agent's prior written consent (which may be granted or withheld in Collateral Agent's discretion, subject to Section 12.5). The Lenders have the right, without the consent of or notice to Borrower, to sell, transfer, assign, pledge, negotiate, or grant participation in (any such sale, transfer, assignment, negotiation, or grant of a participation, a "**Lender Transfer**") all or any part of, or any interest in, any one or more Lenders' obligations, rights, and benefits under this Agreement and the other Loan Documents. In the event of such a Lender Transfer, Collateral Agent or Lead Lender shall have the right to, at its respective sole and absolute option, (a) notify Borrower of such Lender Transfer, in accordance with Section 10 hereof, and direct Borrower to make payments directly to such other Lender or Lenders, indicating such other Lenders' Pro Rata share of the Term Loan and the amount of the payment to be made in connection therewith, or (b) continue to collect payments hereunder and under the other Loan Documents and pay such other Lenders their Pro Rata Share of the Term Loan, in accordance with, and on such terms, as are determined by and between the Lenders.

2. Indemnification. Borrower, jointly and severally, agrees to indemnify, defend and hold Collateral Agent and the Lenders a their respective members, managers, directors, officers, employees, consultants, agents, attorneys, or any other Person affiliated with or representing Collateral Agent or the Lenders (each, an "**Indemnified Person**") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "**Claims**") asserted by any other party in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents; and (b) all losses or expenses incurred, or paid by Indemnified Person in connection with; related to; following; or arising from, out of or under, the transactions contemplated by the Loan Documents between Collateral Agent, and/or the Lenders and Borrower (including reasonable attorneys' fees and expenses), except for Claims and/or losses directly caused by such Indemnified Person's gross negligence

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or willful misconduct. Borrower hereby further, jointly and severally, indemnifies, defends and holds each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the fees and disbursements of counsel for such Indemnified Person) in connection with any investigative, response, remedial,

administrative or judicial matter or proceeding, whether or not such Indemnified Person shall be designated a party thereto and including any such proceeding initiated by or on behalf of Borrower, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by Collateral Agent or Lenders) asserting any right to payment for the transactions contemplated hereby which may be imposed on, incurred by or asserted against such Indemnified Person as a result of or in connection with the transactions contemplated hereby and the use or intended use of the proceeds of the loan proceeds except for liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements directly caused by such Indemnified Person's gross negligence or willful misconduct.

3. **Severability of Provisions**. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

4. **Correction of Loan Documents**. Collateral Agent may correct patent errors and fill in any blanks inthis Agreement and the other Loan Documents consistent with the agreement of the parties.

5. **Amendments in Writing; Integration**. (a) No amendment, modification, termination or waiver of any provision of this Agreement or any other Loan Document, no approval or consent thereunder, and no consent toany departure by Borrower or any of its Subsidiaries therefrom, shall in any event be effective unless the same shall be in writing and signed by Borrower, Collateral Agent and the Required Lenders provided that:

(i) no such amendment, waiver or other modification that would have the effect of increasing or reducing a Lender' Term Loan Commitment or Commitment Percentage shall be effective as to such Lender without such Lender's written consent;

(ii) no such amendment, waiver or modification that would affect the rights and duties of Collateral Agent shall be effective without Collateral Agent's written consent or signature; and

(iii) no such amendment, waiver or other modification shall, unless signed by all the Lenders directly affected there (A) reduce the principal of, rate of interest on or any fees with respect to the Term Loan or forgive any principal, interest (other than default interest) or fees (other than late charges) with respect to the Term Loan (B) postpone the date fixed for, or waive, any payment of principal of the Term Loan or of interest on the Term Loan (other than default interest) or any fees provided for hereunder (other than late charges or for any termination of any commitment); (C) change the definition of the term "Required Lenders" or the percentage of Lenders which shall be required for the Lenders to take any action hereunder; (D) release all or substantially all of any material portion of the Collateral, authorize Borrower to sell or otherwise dispose of all or substantially all or any material portion of the Collateral, except, in each case with respect to this clause (D), as otherwise may be expressly permitted under this Agreement or the other Loan Documents (including in connection with any disposition permitted hereunder); (E) amend, waive or otherwise modify this Section 12.5 or the definitions of the terms used in this Section 12.5 insofar as the definitions affect the substance of this Section 12.5; (F) consent to the assignment, delegation or other transfer by Borrower of any of its rights and obligations under any Loan Document or release Borrower of its payment obligations under any Loan Document, except, in each case with respect to this clause (F), pursuant to a merger or consolidation permitted pursuant to this Agreement; (G) amend any of the provisions of Section 9.4 or amend any of the definitions of Pro Rata Share, Term Loan Commitment, Commitment Percentage or that provide for the Lenders to receive their Pro Rata Shares of any fees, payments, setoffs or proceeds of Collateral hereunder; (H) subordinate the Liens granted in favor of Collateral Agent securing the Obligations. It is hereby understood and agreed that all Lenders shall be deemed directly affected by an amendment, waiver or other modification of the type described in the preceding clauses (C), (D), (E), (F), (G) and (H) of the immediately preceding sentence.

(b) Other than as expressly provided for in Section 12.5(a)(i) (iii), Collateral Agent may, if requestedby

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the Required Lenders, from time to time designate covenants in this Agreement less restrictive by notification to a representative of Borrower.

(c) This Agreement and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements with respect to such subject matter. All prior agreements,

understandings, representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Loan Documents merge into this Agreement and the Loan Documents.

6. Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts and by different par on separate counterparts, each of which, when executed and delivered, is an original, andall taken together, constitute one Agreement. Any and all electronic signatures, whether by scan, e-mail, PDF, Docusign or similar means, and any electronic delivery of signature pages hereto, shall be treated as originals.

7. Survival. All covenants, representations and warranties made in this Agreement continue in full force and effect until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been satisfied. The obligation of Borrower in Section 12.2 to indemnify each Lender and Collateral Agent, as well as the confidentiality provisions in Section 12.8 below, shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

8. Confidentiality. In handling any confidential information of Borrower, the Lenders and Collateral Agent shall exercise the same degree of care that it exercises for their own proprietary information, but disclosure of information may be made: (a) subject to the terms and conditions of this Agreement, to the Lenders' and Collateral Agent's Subsidiaries or Affiliates; (b) to prospective transferees (other than those identified in (a) above) or purchasers of any interest in the Term Loan (provided, however, the Lenders and Collateral Agent shall obtain such prospective transferee's or purchaser's agreement to the terms of this provision or to similar confidentiality terms); (c) as required by law, regulation, subpoena, or other order; (d) to Lenders' or Collateral Agent's regulators or as otherwise required in connection with an examination or audit; (e) as Collateral Agent reasonably considers appropriate in exercising remedies under the Loan Documents; and (f) to third party service providers of the Lenders and/or Collateral Agent so long as such service providers have executed a confidentiality agreement or have agreed to similar confidentiality terms with the Lenders and Collateral Agent with terms no less restrictive than those contained herein. Confidential information does not include information that either: (i) is in the public domain or in the Lenders' and/or Collateral Agent's possession when disclosed to the Lenders and/or Collateral Agent, or becomes part of the public domain after disclosure to the Lenders and/or Collateral Agent at no fault of the Lenders or the Collateral Agent; or (ii) is disclosed to the Lenders and/or Collateral Agent by a third party, if the Lenders and/or Collateral Agent does not know that the third party is prohibited from disclosing the information. Collateral Agent and the Lenders may use confidential information for any purpose, including, without limitation, for the development of client databases, reporting purposes, and market analysis. The provisions of the immediately preceding sentence shall survive the termination of this Agreement. The agreements provided under this Section 12.8 supersede all prior agreements, understanding, representations, warranties, and negotiations between the parties about the subject matter of this Section 12.8.

12.9 Right of Set Off. Borrower hereby grants to Collateral Agent and to each Lender, a lien, security interest and right of set off as security for all Obligations to Collateral Agent and each Lender hereunder, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Collateral Agent or the Lenders or any entity under the control of Collateral Agent or the Lenders (including a Collateral Agent affiliate) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Collateral Agent or the Lenders may set off the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE COLLATERAL AGENT TO EXERCISE ITS RIGHTS OR REMEDIES WITHRESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED BY BORROWER.

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12.10 Borrower Liability. Each Borrower may, acting singly, request credit extensions hereunder. Each Borrower hereby appoints the other as agent for the other for all purposes hereunder, including with respect to requesting credit extensions hereunder. Each Borrower hereunder shall be jointly and severally obligated to repay all credit extensions made hereunder, regardless of which Borrower actually receives said credit extension, as if each Borrower hereunder directly received all credit extensions. Each Borrower waives (a) any suretyship defenses

available to it under the Code or any other applicable law, and (b) any right to require Collateral Agent or any Lender to: (i) proceed against any Borrower or any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. Collateral Agent and/or any Lender may exercise or not exercise any right or remedy it has against any Borrower or any security it holds (including the right to foreclose by judicial or non-judicial sale) without affecting any Borrower's liability. Notwithstanding any other provision of this Agreement or other related document, each Borrower irrevocably waives all rights that it may have at law or in equity (including, without limitation, any law subrogating Borrower to the rights of Collateral Agent and the Lenders under this Agreement) to seek contribution, indemnification or any other form of reimbursement from any other Borrower, or any other Person now or hereafter primarily or secondarily liable for any of the Obligations, for any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise and all rights that it might have to benefit from, or to participate in, any security for the Obligations as a result of any payment made by Borrower with respect to the Obligations in connection with this Agreement or otherwise. Any agreement providing for indemnification, reimbursement or any other arrangement prohibited under this Section 12.10 shall be null and void. If any payment is made to a Borrower in contravention of this Section 12.10, such Borrower shall hold such payment in trust for Collateral Agent and the Lenders and such payment shall be promptly delivered to Collateral Agent for application to the Obligations, whether matured or unmatured.

12.11. Change of Law. If, due to any change in applicable law or regulations, or the interpretation thereof by any court of law or other governing body having jurisdiction subsequent to the date of this Agreement, the performance of any provision of this Agreement, the loans granted pursuant hereto or any transaction contemplated hereby shall become unlawful, impracticable or impossible, the Lender shall have the right, with the consent of the Borrower not to be unreasonably withheld, conditioned or delayed, to amend the terms hereof in good faith so as to comply with the then current laws, rules and/or regulations in the way that, in its reasonable judgment, best and most closely reflects the terms and conditions negotiated herein and intended hereby.

13. DEFINITIONS

As used in this Agreement, the following terms have the following meanings:

"Accounts" shall mean accounts receivable of Parent.

"**Affiliate**" of any Person is a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners if such Person is a partnership and, for any Person that is a limited liability company, that Person's managers and members.

"Borrowing Base" shall mean, at any time, an amount equal to 100% of Eligible Accounts.

"**Business Day**" is any day that is not a Saturday, Sunday or a day on which banks are closed in the Commonwealth of Virginia.

"**Code**" is the Uniform Commercial Code, as enacted in the Commonwealth of Virginia.

"**Collateral**" is any and all properties, rights and assets of Borrower described on Exhibit A.

"**Disbursement Instruction Form**" is that certain form attached hereto as Exhibit B-2.

"Drawdown" means any principal amount borrowed or to be borrowed (by any means) under the provisions hereof.

"Eligible Accounts" shall mean Accounts that are not excluded as ineligible by virtue of one or more of

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the criteria set forth below. None of the following shall be Eligible Accounts: (A) Accounts (i) with respect to which the scheduled due date is more than 60 days after the original invoice date, (ii) which are unpaid more than (A) 90 days after the date of the original invoice therefor; (B) Accounts which (i) do not arise from the sale of goods or performance of services in the ordinary course of business, (ii) are not evidenced by an invoice or other documentation reasonably satisfactory to the Collateral Agent, (iii) represent a progress billing, or (iv) are

contingent upon any Borrower's completion of any further performance; (C) Accounts which are owed by an account debtor which (i) does not maintain its chief executive office in the United States or (ii) is not organized under any applicable law of the United States, any State of the United States or the District of Columbia; (D) Accounts which are owed in any currency other than dollars; or (E) Accounts which are owed by any Affiliate, employee, officer, director or stockholder of any Borrower or Guarantor.

"**Equipment**" is all "equipment" as defined in the Code with such additions to such term as may hereafter be made, and includes without limitation all machinery, fixtures, goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

"**Existing Indebtedness**" is the indebtedness of Borrower listed in the Perfection Certificate.

"**Indebtedness**" is (a) indebtedness for borrowed money or the deferred price of property or services, suchas reimbursement and other obligations for surety bonds and letters of credit, (b) obligations evidenced by notes, bonds, debentures or similar instruments, (c) capital lease obligations, (d) merchant cash advances; and (e) Contingent Obligations in respect of any of the foregoing.

"**Insolvency Proceeding**" is any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions or proceedings seeking reorganization, arrangement, or other relief.

"**Insolvent**" means not Solvent.

"Intellectual Property" shall mean, all (a) trademarks, trademark rights, trade names, trade name rights, service marks, service mark rights, logos, trade dress, domain names, web sites, and all other indicia of origin or quality, and goodwill associated therewith and arising therefrom; (b) patents and patent rights; and (c) works of authorship and copyrights therein, and all common law rights in all of the foregoing, and registration and applications for all of the foregoing issued by or filed with the US Patent and Trademark Office, any State of the US, the US Copyright Office, or any foreign equivalent thereof, and all of the foregoing (a)-(c) used in, at, or in connection with and/or necessary for the (i) conduct of any Borrower's business and/or (ii) use and/or operation of the Collateral.

"**Inventory**" is all "inventory" as defined in the Code in effect on the date hereof with such additions to such term as may hereafter be made under the Code, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of any Person's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

"**Investment**" is any beneficial ownership interest in any Person (including stock, partnership interest or other securities), and any loan, advance or capital contribution to any Person.

"**Key Person**" is WILLIS C. LEE

"**Lien**" is a mortgage, deed of trust, levy, charge, pledge, security interest, or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

"**Loan Documents**" are, collectively, this Agreement, each Secured Promissory Note, each Disbursement Instruction Form, any subordination agreements, any note, or notes or guaranties executed by Borrower or any other Person, and any other present or future document, certificate, form or agreement entered into by Borrower or any other Person for the benefit of the Lenders and Collateral Agent in connection with this Agreement; all as amended,

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restated, or otherwise modified or supplemented from time to time.

"**Material Adverse Change**" is (a) a material adverse change in the business, operations or condition (financial or otherwise) of Parent, or Parent and each Subsidiary, taken as a whole; (b) a material impairment of the prospect of repayment of any portion of the Obligations, or (c) a material adverse effect on the Collateral.

"**Material Agreement**" is any license, agreement or other similar contractual arrangement with a Person or Governmental Authority whereby Borrower or any of its Subsidiaries is reasonably likely to be required to transfer, either in-kind or in cash, prior to the Maturity Date, assets or property valued (book or market) at more than Fifty Thousand Dollars ($50,000.00) in the aggregate or any license, agreement or other similar contractual arrangement conveying rights in or to any material Intellectual Property.

"**Maturity Date**" is 52 weeks from the Effective Date.

"Maximum Legal Rate" shall mean the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the indebtedness evidenced by the Note and as provided for herein or the other Loan Documents, under the laws of such state or states whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Term Loan.

"**Obligations**" are all of Borrower's obligations to pay when due any debts, principal, interest, the Prepayment Fee, the Final Fee, and other amounts Borrower owes the Lenders now or later, in connection with, related to, following, or arising from, out of or under, this Agreement or, the other Loan Documents, or otherwise, and including interest accruing after Insolvency Proceedings begin (whether or not allowed) and debts, liabilities, or obligations of Borrower assigned to the Lenders and/or Collateral Agent, and the performance of Borrower's duties under the Loan Documents.

"**Operating Documents**" are, for any Person, such Person's formation documents, as certified by the Secretary of State (or equivalent agency) of such Person's jurisdiction of organization on a date that is no earlier than thirty (30) days prior to the Effective Date, and, (a) if such Person is a corporation, its bylaws in current form, (b) if such Person is a limited liability company, its limited liability company agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), each of the foregoing with all current amendments or modifications thereto.

"**Perfection Certificate**" is that certain form attached hereto as Exhibit B-1.

"**Permitted Indebtedness**" is: (a) Borrower's Indebtedness to the Lenders and Collateral Agent under this Agreement and the other Loan Documents; (b) Indebtedness existing on the Effective Date and disclosed on the Perfection Certificate(s); (c) unsecured Indebtedness to trade creditors and Indebtedness in connection with credit cards incurred in the ordinary course of business; (d) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (a) through (c) above, provided that the principal amount thereof is not increased or the terms thereof are not modified to impose materially more burdensome terms upon Borrower, or its Subsidiary, as the case may be;

"**Permitted Investments**" are: (a) investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business; (b) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions, to customers and suppliers who are not Affiliates, in the ordinary course of business; provided that this paragraph (b) shall not apply to Investments of Borrower in any Subsidiary.

"**Permitted Licenses**" are licenses of over-the-counter software that is commercially available to the public.

"**Permitted Liens**" are Liens existing on the Effective Date and disclosed on the Perfection Certificates or arising under this Agreement and the other Loan Documents;

"**Person**" is any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm,

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joint stock company, estate, entity or government agency.

"**Property**" means any interest in any kind of property or asset, whether real, personal or mixed, and whether tangible or intangible.

"**Pro Rata Share**" is, as of any date of determination, with respect to each Lender, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by dividing the outstanding principal amount of the Term Loan held by such Lender by the aggregate outstanding principal amount of the Term Loan.

"**Related Persons**" means, with respect to any Person, each Affiliate of such Person and each director, officer, employee, agent, trustee, representative, attorney, accountant and each insurance, environmental, legal, financial and other advisor and other consultants and agents of or to such Person or any of its Affiliates.

"**Required Lenders**" means (i) for so long as the Lead Lender has not assigned or transferred any of its interests in the Term Loan, Lenders holding one hundred percent (100%) of the aggregate outstanding principal balance of the Term Loan, or (ii) at any time from and after the Lead Lender has assigned or transferred any interest in its Term Loan, Lenders holding at least fifty one percent (51%) of the aggregate outstanding principal balance of the Term Loan.

"**Responsible Officer**" is any of the President, Chief Executive Officer, or Chief Financial Officer of Borrower or Parent.

"**Secured Promissory Note**" is defined in Section 2.5.

"**Shares**" means one hundred percent (100.0%) of the stock, units or other evidence of equity ownership held by Borrower or its Subsidiaries of any Subsidiary which is organized under the laws of the United States.

"**Solvent**" is, with respect to any Person: the fair salable value of such Person's consolidated assets (including goodwill minus disposition costs) exceeds the fair value of such Person's liabilities; such Person is not left with unreasonably small capital after the transactions in this Agreement; and such Person is able to pay its debts (including trade debts) as they mature in the ordinary course (without taking into account any forbearance and extensions related thereto).

"**Subordinated Debt**" is indebtedness incurred by Borrower or any of its Subsidiaries subordinated to all Indebtedness of Borrower and/or its Subsidiaries to the Lenders (pursuant to a subordination, intercreditor, or other similar agreement in form and substance satisfactory to Collateral Agent and the Lenders entered into between Collateral Agent, Borrower, and/or any of its Subsidiaries, and the other creditor), on terms acceptable to Collateral Agent and the Lenders.

"**Subsidiary**" is, with respect to any Person, any Person of which more than fifty percent (50%) of the voting stock or other equity interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or through one or more intermediaries. Unless otherwise specified, references herein to a Subsidiary means a Subsidiary of Borrower.

"**Term Loan**" is defined in Section 2.2(a) hereof.

"**Term Loan Amortization Schedule**" means the amortization schedule set forth in Exhibit B-4 of this Agreement.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by one of its officers thereunto duly authorized on the date hereof.

Parties	Name of Signatory and Title	Signature
Borrowers		
EMMAUS MEDICAL, INC.,	WILLIS C. LEE, Chairman and CEO	
EMMAUS LIFE SCIENCES, INC.,	WILLIS C. LEE, Chairman and CEO	
EMI HOLDING, INC.,	WILLIS C. LEE, Chairman and CEO	
Guarantors		
EMMAUS MEDICAL, INC.,	WILLIS C. LEE, Chairman and CEO	
EMMAUS LIFE SCIENCES, INC.,	WILLIS C. LEE, Chairman and CEO	
EMI HOLDING, INC.,	WILLIS C. LEE, Chairman and CEO	

LEAD LENDER:
Agile Lending, LLC

_____
By: Aaron Greenblott
Its: Member

COLLATERAL AGENT:
Agile Capital Funding, LLC

_____
By: Aaron Greenblott
Its: Member

EXHIBITS TO FOLLOW

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APPENDIX 1

BORROWER LIST

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EXHIBIT A

DESCRIPTION OF COLLATERAL

The Collateral consists of all of Borrower's right, title and interest in and to the following property:

All of Borrower's goods, Accounts, Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (including Intellectual Property), commercial tort claims, documents, instruments (including any promissory notes), chattel paper (whether tangible or electronic), cash, deposit accounts and other Collateral Accounts, all certificates of deposit, fixtures, letters of credit rights (whether or not the letter of credit is evidenced by a writing), securities, and all other investment property, supporting obligations, and financial assets, whether now owned or hereafter acquired, wherever located; and

All of Borrower's books and records relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (i) any license or contract, in each case if the granting of a Lien in such license or contract is prohibited by or would constitute a default under the agreement governing such license or contract (but (A) only to the extent such prohibition is enforceable under applicable law and (B) other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-408 or 9-409 (or any other Section) of Division 9 of the Code); provided that upon the termination, lapsing or expiration of any such prohibition, such license or contract, as applicable, shall automatically be subject to the security interest granted in favor of Collateral Agent hereunder and become part of the "Collateral."

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EXHIBIT B-1

PERFECTION CERTIFICATE

The undersigned, the CEO of **EMMAUS MEDICAL, INC., A DOMESTIC DELAWARE CORPORATION** (the "**Parent**" or "**Borrower**"), hereby certifies, with reference to (i) the Business Loan and Security Agreement, dated as of September 18, 2026(the "Loan Agreement"), among Agile Capital Funding, LLC as collateral agent (in such capacity, together with its successors and assigns in such capacity, "**Collateral Agent**"),and Agile Lending, LLC, a Virginia limited liability company ("**Lead Lender**") and each assignee that becomes a party to this Agreement pursuant to Section 12.1 (each individually with the Lead Lender, a "**Lender**" and collectively with the Lead Lender, the "**Lenders**"), and the Borrower and its affiliates, and EMMAUS LIFE SCIENCES, INC., A DOMESTIC DELAWARE CORPORATION, and EMI HOLDING, INC., A DOMESTIC DELAWARE CORPORATION, individually and collectively, jointly and severally, "**Guarantors**") as Guarantors, to the Lender as follows:

1. **Name, Tax ID, and State of Formation**. The exact legal name of the Borrower and Guarantors as that name appears on its Certificate of Organization, as amended, is as follows:

Name	Tax ID	State of Formation
EMMAUS MEDICAL, INC.,		Delaware
EMMAUS LIFE SCIENCES, INC.,		Delaware
EMI HOLDING, INC.,		Delaware

2. Other Identifying Factors.

(a) The following is the mailing address of the Borrower and Guarantors:

21250 Hawthorne Blvd, Ste 800
Torrance, CA 90503

The following are any DBAs of the Borrower:

3. Other Current Locations.

(a) The following are all other locations in which the Borrower maintains any books or records relating to any of the Collateral consisting of accounts, instruments, chattel paper, general intangibles or mobile goods:

(b) The following are all other places of business of the Company in the United States of America:

(c) The following are all other locations where any of the Collateral consisting of inventory or equipment is located:

(d) The following are the names and addresses of all persons or entities other than the Company, such as lessees, consignees, warehousemen or purchasers of chattel paper, which have possession or are intended to have

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possession of any of the Collateral consisting of instruments, chattel paper, inventory or equipment:

4. Prior Locations.

(a) Set forth below is the information required by §4(a) or (b) with respect to each location or place of business previously maintained by the Company at any time during the past five years in a state in which the Company has previously maintained a location or place of business at any time during the past four months:

(b) Set forth below is the information required by §4(c) or (d) with respect to each other location at which, or other person or entity with which, any of the Collateral consisting of inventory or equipment has been previously held at any time during the past twelve months:

5. Fixtures. Set forth below is the information required by UCC §9-502(b) or former UCC §9-402(5) of each state in which any of the Collateral consisting of fixtures are or are to be located and the name and address of each real estate recording office where a mortgage on the realestate on which such fixtures are or are to be located would be recorded.

6. Intellectual Property.

Set forth below is a complete list of all United States and foreign patents, copyrights, trademarks, trade names and service marks registered or for which applications are pending in the name of the Company.

7. Securities; Instruments. Set forth below is a complete list of all stocks, bonds, debentures, notes and other securities and investment property owned by the Company *(provide name of issuer, a description of security andvalue)*.

8. Motor Vehicles. The following is a complete list of all motor vehicles owned by the Borrower *(describeeach vehicle by make, model and year and indicate for each the state in which registered and the state in which based)*:

Vehicle	State of Registration	State in Which Based

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Truck	Plate	VIN	Make

9. Permitted Indebtedness.

Lender	Balance	Total Payment (indicate daily, weekly, or monthly)

10. Permitted Liens:

_____
_____
_____

11. Bank Accounts. The following is a complete list of all bank accounts (including securities and commodities accounts) maintained by the Borrower (*provide name and address of depository bank, type of accountand account number*):

Bank Account	Account Number	Account Routing
US Bank		

12. Unusual Transactions. All of the Collateral has been originated by the Borrower in the ordinarycourse of the Borrower's business or consists of goods which have been acquired by the Borrower in the ordinary course from a person in the business of selling goods of that kind.

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13. Litigation

a. The following is a complete list of pending and threatened litigation or claims involving amounts claimed against the Borrower in an indefinite amount or in excess of $50,000 in each case:

b. The following are the only claims which the Borrower has against others (other than claims on accounts receivable), which the Borrower is asserting or intends to assert, and in which the potential recovery exceeds $50,000:

14. <u>Insurance Broker.</u> The following broker handles the Borrower's property insurance**:**

Broker	Contact	Telephone	Email

The Borrower agrees to advise you of any change or modification to any of the foregoing information or any supplemental information provided on any continuation pages attached hereto, and, until such notice is received by you, you shall be entitled to rely upon such information and presume it is correct. The Borrower acknowledges that your acceptance of this Perfection Certificate and any continuation pages does not imply any commitment on your part to enter into a loan transaction with the Borrower, and that any such commitment may only be made by an express written loan commitment, signed by one of your authorized officers.

Date: September 18, 2026 [_____]

By: _____

Name: WILLIS C. LEE
Its: Chairman and CEO
Email: wlee@emmauslifesciences.com

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EXHIBIT B-2

DISBURSEMENT INSTRUCTION FORM

The proceeds of the first advance of Term Loan shall be disbursed as follows:

Term Loan	$720,000.00
Less:	
Administrative Agent Fee to be remitted to Agile Capital Funding, LLC	($120,000.00)
TOTAL TERM LOAN NET PROCEEDS TO BORROWER	$600,000.00

The aggregate net proceeds of the Term Loan shall be transferred to the Designated Deposit Account as follows:

BORROWER: EMMAUS MEDICAL, INC.

Account Name: EMMAUS MEDICAL, INC.

Bank Name: US Bank

ABA Number:

Account Number:

The proceeds of the subsequent advances of the Term Loan shall be disbursed as follows:

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EXHIBIT B-3

DRAWDOWN SCHEDULE

Within 2 Business Days of Closing Date.

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EXHIBIT B-4
REPAYMENT AND AMORTIZATION SCHEDULE

Projected Payment Schedule	
	Bi-Weekly Payment
10/5/2026	**$33,230.77**
10/19/2026	**$33,230.77**
11/2/2026	**$33,230.77**
11/16/2026	**$33,230.77**
11/30/2026	**$33,230.77**
12/14/2026	**$33,230.77**
12/28/2026	**$33,230.77**
1/11/2027	**$33,230.77**
1/25/2027	**$33,230.77**
2/8/2027	**$33,230.77**
2/22/2027	**$33,230.77**
3/8/2027	**$33,230.77**
3/22/2027	**$33,230.77**
4/5/2027	**$33,230.77**
4/19/2027	**$33,230.77**
5/3/2027	**$33,230.77**
5/17/2027	**$33,230.77**
5/31/2027	**$33,230.77**
6/14/2027	**$33,230.77**
6/28/2027	**$33,230.77**
7/12/2027	**$33,230.77**
7/26/2027	**$33,230.77**
8/9/2027	**$33,230.77**
8/23/2027	**$33,230.77**
9/6/2027	**$33,230.77**
9/20/2027	**$33,230.75**
Total	**$864,000.00**

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EXHIBIT B-5

Business Loan and Security Agreement Supplement

Principal Amount of Loan:	**$720,000.00, including the Administrative Agent Fee,** available as set forth in the Drawdown Schedule found in Exhibit B-3 of this Agreement.
Total Repayment Amount:	The total repayment amount of the Term Loan, including all interest, lender fees, and third-party fees, assuming all payments are made on time is **$ $ $864,000.00.**
Payment Schedule:	As set forth in the Repayment and Amortization Schedule found in Exhibit B-4 of the Agreement.
Payment Multiplier: (The per dollar cost of the loan inclusive of all interest and fees).	**1.20**
Interest Charge:	**$144,000.00,** assuming all payments are made on time.
Fees payable to Collateral Agent and its designees:	**Administrative Agent Fee: $120,000.00,** payable at closing out of proceeds of the Term Loan

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EXHIBIT B-6

AUTHORIZATION AGREEMENT
FOR AUTOMATED CLEARING HOUSE TRANSACTIONS

Borrower hereby authorizes Lender and / or Servicer (or its representatives) to present automated clearing house (ACH) debits to the following checking account in the amount of fees and other obligations due to Lender from Borrower under the terms of the Business Loan and Security Agreement and Subordinated Secured Promissory Note entered into between Lender and Borrower, as it may be amended, supplemented or replaced from time to time. In addition, if an Event of Default (as defined in the Business Loan and Security Agreement or Secured Promissory Note) occurs, Borrower authorizes Lender and / or Servicer (or its representatives) to debit any and all accounts controlled by Borrower or controlled by any entity with the same Federal Tax Identification Number as Borrower up to the total amount, including but not limited to, all fees and charges, due to Lender from Borrower under the terms of the Agreement.

Transfer Funds To/From: US Bank
Account Name: EMMAUS MEDICAL, INC.
Bank Name: US Bank
ABA Number:
Account Number:

This authorization is to remain in full force and effect until all obligations due to Borrower under the Agreement have been fulfilled.

Borrower Information:_____

Borrower's Name: EMMAUS MEDICAL, INC.

Signature of Authorized Representative:_____

Print Name: WILLIS C. LEE
Title: CEO
Borrower's Tax ID:
Date: 09 / 22 / 2026

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EXHIBIT D

CONFESSED JUDGMENT SECURED PROMISSORY NOTE

IMPORTANT NOTICE: THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A DEBTOR AND ALLOWS THE CREDITOR TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE.

CONFESSED JUDGMENT SECURED PROMISSORY NOTE

$720,000.00 Dated: September 18, 2026

FOR VALUE RECEIVED, the undersigned **EMMAUS MEDICAL, INC., A DOMESTIC DELAWARE CORPORATION** ("**Parent**" or "**Borrower**") and its affiliates**,, and EMMAUS LIFE SCIENCES, INC., A DOMESTIC DELAWARE CORPORATION, and EMI HOLDING, INC., A DOMESTIC DELAWARE CORPORATION** individually and collectively, jointly and severally, "**Guarantors**"), HEREBY JOINTLY AND SEVERALLY PROMISE TO PAY to the order of Agile Lending, LLC, or its designees or assigns ("**Lead Lender**") the principal amount of SEVEN HUNDRED TWENTY THOUSAND DOLLARS ($720,000.00) or such lesser amount as shall equal the outstanding principal balance of the Term Loan made to Borrower by Lender, plus interest on the aggregate unpaid principal amount of such Term Loan, at the rates and in accordance with the terms of the Business Loan and Security Agreement dated September 18, 2026, by and among Borrower, Lender, Collateral Agent, and the other Lenders from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "**Loan Agreement**"). If not sooner paid, the entire principal amount and all accrued and unpaid interest hereunder shall be due and payable on the Maturity Date as set forth in the Loan Agreement. Any capitalized term not otherwise defined herein shall have the meaning attributed to such term in the Loan Agreement.

Principal, interest and all other amounts due with respect to the Term Loan, are payable in lawful money of the United States of America to Lender as set forth in the Loan Agreement and this Confessed Judgment Secured Promissory Note (this "**Note**").

The Loan Agreement, among other things, (a) provides for the making of a secured Term Loan by Lender to Borrower, and (b) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events.

This Note may not be prepaid except as set forth in Section 2.2 (c) and Section 2.2(d) of the Loan Agreement.

This Note and the obligation of Borrower to repay the unpaid principal amount of the Term Loan, interest on the Term Loan and all other amounts due Lender under the Loan Agreement is secured as provided under the Loan Agreement.

Presentment for payment, demand, notice of protest and all other demands and notices of any kind in connection with the execution, delivery, performance and enforcement of this Note are hereby waived.

Borrower shall pay all reasonable fees and expenses, including, without limitation, reasonable attorneys' fees and costs, incurred by Lender in the enforcement or attempt to enforce any of Borrower's obligations hereunder not performed when due.

This Note shall be governed by, and construed and interpreted in accordance with, the internal laws of the Commonwealth of Virginia.

The ownership of an interest in this Note shall be registered on a record of ownership maintained by Lender or its

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agent. Notwithstanding anything else in this Note to the contrary, the right to the principal of, and stated interest on, this Note may be transferred only if the transfer is registered on such record of ownership and the transferee is identified as the owner of an interest in the obligation. Borrower shall be entitled to treat the registered holder of this Note (as recorded on such record of ownership) as the owner in fact thereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in this Note on the part of any other person or entity.

BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTELLIGENTLY WAIVES ANY AND ALL RIGHTS THAT EACH PARTY TO THIS NOTE MAY NOW OR HEREAFTER HAVE UNDER THE LAWS OF THE UNITED STATES OF AMERICA OR THE COMMONWEALTH OF VIRGINIA, TO A TRIAL BY JURY OF ANY AND ALL ISSUES ARISING DIRECTLY OR INDIRECTLY IN ANY ACTION OR PROCEEDING RELATING TO THIS NOTE, THE LOAN DOCUMENTS OR ANY TRANSACTIONS CONTEMPLATED THEREBY OR RELATED THERETO. IT IS INTENDED THAT THIS WAIVER SHALL APPLY TO ANY AND ALL DEFENSES, RIGHTS, CLAIMS AND/OR COUNTERCLAIMS IN ANY SUCH ACTION OR PROCEEDING. BORROWER EXPRESSLY ACKNOWLEDGES THAT BORROWER IS SUBJECT TO PERSONAL JURISDICTION IN THE COMMONWEALTH OF THE VIRGINIA, THAT BORROWER INTENTIONALLY ENTERED INTO THE TRANSACTIONS THAT ARE THE SUBJECT OF THIS CONFESSED JUDGMENT PROMISSORY NOTE WITH LENDER, WHO IS LOCATED IN THE COMMONWEALTH OF VIRGINIA, AND THAT BORROWER WAIVES ANY AND ALL OBJECTIONS TO THE EXERCISE OF PERSONAL JURISDICTION OVER BORROWER OF THE COMMONWEALTH OF VIRGINIA AND TO VENUE IN THE CIRCUIT COURT FOR ARLINGTON COUNTY, VIRGINIA AND ANY OTHER COURT WITHIN THE COMMONWEALTH OF VIRGINIA.

BORROWER UNDERSTANDS THAT THIS WAIVER IS A WAIVER OF A CONSTITUTIONAL SAFEGUARD, AND EACH PARTY INDIVIDUALLY BELIEVES THAT THERE ARE SUFFICIENT ALTERNATE PROCEDURAL AND SUBSTANTIVE SAFEGUARDS, INCLUDING, A TRIAL BY AN IMPARTIAL JUDGE, THAT ADEQUATELY OFFSET THE WAIVER CONTAINED HEREIN.

UPON THE OCCURRENCE OF AN EVENT OF DEFAULT HEREUNDER OR UNDER THE LOAN AGREEMENT, LEAD LENDER MAY CONFESS JUDGMENT AGAINST BORROWER AS PROVIDED HEREIN. UPON THE OCCURRENCE OF ANY EVENT OF DEFAULT HEREUNDER, BORROWER HEREBY AUTHORIZES AND EMPOWERS THE CLERK OF ANY COURT OF RECORD IN THE COMMONWEALTH OF VIRGINIA, INCLUDING BUT NOT LIMITED TO THE CLERK OF THE CIRCUIT COURT FOR THE COUNTY OF ARLINGTON TO ENTER JUDGMENT BY CONFESSION AGAINST BORROWER IN FAVOR OF LEAD LENDER FOR THE FULL AMOUNT DUE AND PAYABLE UNDER THE FINANCING AGREEMENTS AND SECURED BY THE LOAN AGREEMENT, TOGETHER WITH ALL PERMITTED FEES AND INTEREST, AS EVIDENCED BY AN AFFIDAVIT SIGNED BY AN OFFICER OF LEAD LENDER SETTING FORTH THE AMOUNT THEN DUE, TOGETHER WITH REASONABLE ATTORNEYS' FEES AND COLLECTION COSTS INCURRED BY LEAD LENDER AS PROVIDED IN THIS INSTRUMENT, TO THE EXTENT PERMITTED BY LAW, EXPRESSLY WAIVING SUMMONS AND OTHER PROCESS, AND DOES HEREBY CONSENT TO THE IMMEDIATE EXECUTION OF SUCH JUDGMENT, EXPRESSLY WAIVING THE BENEFIT OF ALL EXEMPTION OR HOMESTEAD LAWS.

BORROWER HEREBY CONSTITUTES AND APPOINTS JODIE E. BUCHMAN, ESQ., PIERCE C. MURPHY, ESQ., OF SILVERMAN, THOMPSON, SLUTKIN & WHITE, 400 E PRATT ST, SUITE 900, BALTIMORE, MD, 21202, OR A DULY APPOINTED SUBSTITUTE AS THE TRUE AND LAWFUL ATTORNEY-IN-FACT FOR BORROWER AND ALL PERSONS CLAIMING THROUGH OR UNDER BORROWER TO SIGN AN AGREEMENT FOR ENTERING IN ANY COMPETENT COURT AN AMICABLE ACTION IN EJECTMENT FOR POSSESSION OF THE COLLATERAL AND/OR TO APPEAR IN THE CLERK'S OFFICE OF THE CIRCUIT COURT OF ARLINGTON COUNTY,VIRGINIA, OR ANY COURT OF COMPETENT JURISDICTION AND TO CONFESS JUDGMENT AGAINST BORROWER, AND ALL PERSONS CLAIMING UNDER OR THROUGH BORROWER IN FAVOR OF LEAD LENDER, FOR WHICH THIS NOTE, OR A COPY THEREOF VERIFIED BY AFFIDAVIT, SHALL BE SUFFICIENT WARRANT; WHEREUPON A WRIT OF POSSESSION MAY IMMEDIATELY ISSUE FOR POSSESSION OF THE COLLATERAL, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER AND WITHOUT ANY STAY OF EXECUTION.

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LEAD LENDER MAY BRING AN AMICABLE ACTION IN EJECTMENT AND/OR CONFESS JUDGMENT THEREIN EITHER BEFORE OR AFTER THE INSTITUTION OF PROCEEDINGS TO ENFORCE THIS NOTE AND/OR AFTER ENTRY OF JUDGMENT ON THIS NOTE, OR AFTER A PUBLIC SALE OF THE COLLATERAL IN WHICH LEAD LENDER IS THE SUCCESSFUL BIDDER.

BORROWER HEREBY RATIFIES AND CONFIRMS ALL THAT SAID ATTORNEY OR ATTORNEYS MAY DO PURSUANT TO THE FOREGOING POWER. PURSUANT TO SECTION 8.01-435 OF THE CODE OF VIRGINIA OF 1950, AS AMENDED, BORROWER IS HEREBY NOTIFIED THAT A SUBSTITUTE ATTORNEY-IN-FACT UNDER THIS PARAGRAPH MAY BE APPOINTED BY THE LEAD LENDER, OBLIGEE, OR PERSON OTHERWISE ENTITLED TO PAYMENT UNDER THIS AGREEMENT BY RECORDING AN INSTRUMENT NAMING SUCH SUBSTITUTE ATTORNEY-IN-FACT IN THE CLERK'S OFFICE WHERE JUDGMENT IS TO BE CONFESSED.

THE FOREGOING AUTHORIZATION TO PURSUE PROCEEDINGS FOR CONFESSING JUDGMENT AND ANY AND ALL JUDGMENT ENFORCEMENT MEASURES THAT LEAD LENDER OPTS TO PURSUE, INCLUDING BUT NOT LIMITED TO OBTAINING POSSESSION OF THE COLLATERAL, AND IS AN ESSENTIAL PART OF LEAD LENDER'S REMEDIES FOR ENFORCEMENT OF THIS NOTE AND THE LOAN AGREEMENT AND SHALL SURVIVE ANY ENFORCEMENT ACTIONS OR FORECLOSURE SALE BY OR TO LEAD LENDER.

[Signature Page to Follow}

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IN WITNESS WHEREOF, Borrower caused this Note to be duly executed under seal by one of its officers thereunto duly authorized on the date hereof.

ON BEHALF OF BORROWER(S):	**BORROWER:**
_____[SEAL]	_____[SEAL]
By: WILLIS C. LEE	By:
Date:	Date:

STATE:
COUNTY OF:

I hereby certify that on____, before me, the undersigned, Notary Public in and for the State of_____, at large, personally appeared WILLIS C. LEE, individually and as the Chairman and CEO of EMMAUS MEDICAL, INC., A DOMESTIC DELAWARE CORPORATION (**"Parent")** and its affiliates, EMMAUS LIFE SCIENCES, INC., A DOMESTIC DELAWARE CORPORATION, and EMI HOLDING, INC., A DOMESTIC DELAWARE CORPORATION known to me or satisfactorily proven to be the person whose name is subscribed to the foregoing instrument and acknowledged that he executed the foregoing on behalf of himself individually, EMMAUS MEDICAL, INC., A DOMESTIC DELAWARE CORPORATION (**"Parent")** and its affiliates, and EMMAUS LIFE SCIENCES, INC., A DOMESTIC DELAWARE CORPORATION, and EMI HOLDING, INC., A DOMESTIC DELAWARE CORPORATION for the purposes set forth therein.

(Seal)
Notary Public _____

My Commission Expires: Registration Number:

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Exhibit 31.1

Certification of Chief Executive Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Willis C. Lee, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Emmaus Life Sciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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: November 18, 2026

/s/ Willis C. Lee
Willis C. Lee
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer pursuant to Item 601(b)(31) of Regulation S-K, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Hiroko Huynh, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Emmaus Life Sciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (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: November 18, 2026

/s /Hiroko Huynh
Hiroko Huynh
Chief Accounting Officer
(Principal Accounting Officer)

Exhibit 32.1

Certification of Chief Executive Officer and Chief Financial Officer 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 Emmaus Life Sciences, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned, in the capacities and on the date indicated below, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(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 results of operations of the Company.

/s/ Willis C. Lee
Willis C. Lee
Chief Executive Office
(Principal Executive Officer)
November 18, 2026

/s/ Hiroko Huynh
Hiroko Huynh
Chief Accounting Officer
(Principal Accounting Officer)
November 18, 2026