UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

OR

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

Commission File Number 001-39489

NUBURU, INC.
(Exact name of Registrant as specified in its Charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**85-1288435** **(I.R.S. Employer Identification No.)**
44 Cook Street, Suite 100 **Denver, CO** **(Address of principal executive offices)**	**80206** **(Zip Code)**

Registrant's telephone number, including area code: (303) 780-7389

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	BURU	NYSE American

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting Common Stock held by non-affiliates of the registrant at June 30, 2025 was approximately $24.6 million. Shares of Common Stock beneficially owned by each executive officer and director have been excluded in that such persons may be deemed to be affiliates. This determination of executive officers and directors as affiliates is not necessarily a conclusive determination for any other purposes.

The number of shares of Registrant's Common Stock outstanding as of March 26, 2026 was 154,588,426 shares.

Documents Incorporated by Reference

Portions of the Registrant's definitive proxy statement for the Annual Meeting of Stockholders to be held in 2026, which will be filed with the Securities and Exchange Commission no later than 120 days after the end of the Registrant's fiscal year ended December 31, 2025, are incorporated by reference into Part III hereof.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans, or intentions. Forward-looking statements contained in this Annual Report on Form 10-K include, but are not limited to, statements about:

- our ability to obtain required financing;
- our ability to maintain the listing of our common stock, par value of $0.0001 per share (the "Common Stock") on a securities exchange;
- our ability to successfully obtain required approvals for, close, implement and integrate key acquisitions;
- our success in retaining or recruiting, or changes required in, our officers, key employees, or directors;
- our public securities' potential liquidity and trading;
- our ability to implement our announced business plan, including diversifying our assets and expanding with international operations;
- our ability to repay debt obligations;
- the fact that we have not achieved commercialization and our ability to achieve commercialization in the future;
- the outcome of any legal proceedings that may be instituted against us related to our business or the Business Combination;
- existing regulations and regulatory developments in the United States and other jurisdictions, including related to tariff policies and trade restrictions;
- the need to hire additional personnel and our ability to attract and retain such personnel;
- our plans and ability to obtain, maintain, enforce, or protect intellectual property rights;
- our business, operations and financial performance, including:
    - expectations with respect to financial and business performance, including financial projections and business metrics and any underlying assumptions thereunder;
    - expectations regarding future acquisitions, joint ventures, partnerships, or other relationships with third parties;
    - future business plans and growth opportunities;
    - expectations regarding product development and pipeline;
    - expectations regarding research and development efforts;
    - expectations regarding market size;
    - expectations regarding the competitive landscape;
    - future capital requirements and sources and uses of cash, including the ability to obtain additional capital in the future; and
    - other statements detailed under the section entitled "Risk Factors" and in other sections of this Annual Report on Form 10-K.

Forward-looking statements are not guarantees of performance. You should not put undue reliance on these statements which speak only as of the date hereof. You should understand that the following important factors, in addition to those discussed under the heading "*Risk Factors*" and elsewhere in this Annual Report on Form 10-K, could affect our future results, and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements in this Annual Report on Form 10-K:

- our ability to obtain financing;
- our ability to regain compliance with NYSE American's continued listing standards;
- our ability to protect our intellectual property;
- whether the market embraces our products and investments;
- whether we achieve commercialization in a timely manner;
- the outcome of any legal proceedings that may be instituted against us;

- our ability to achieve effective internal control over financial reporting, including our ability to remediate identified material weaknesses in internal control over financial reporting successfully and expediently;
- our ability to retain or recruit key employees;
- costs related to being a public company;
- changes in applicable laws or regulations;
- the possibility that we may be adversely affected by economic, business, or competitive factors;
- volatility in the markets caused by geopolitical and economic factors; and
- other risks and uncertainties set forth in the section titled “Risk Factors” and in other sections of this Annual Report on Form 10-K.

These and other factors that could cause actual results to differ from those implied by the forward-looking statements in this Annual Report on Form 10-K are more fully described under the heading “Risk Factors” and elsewhere in this Annual Report on Form 10-K. The risks described under the heading “Risk Factors” are not exhaustive. Other sections of this Annual Report on Form 10-K describe additional factors that could adversely affect our business, financial condition, or results of operations. New risk factors emerge from time to time and it is not possible to predict all such risk factors, nor can we assess the impact of all such risk factors on our business, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. We undertake no obligations to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In addition, statements of belief and similar statements reflect our beliefs and opinions, as applicable, on the relevant subject. These statements are based upon information available to us, as applicable, as of the date of this Annual Report on Form 10-K, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

PART I

ITEM 1. BUSINESS

Corporate History and Background

We were originally incorporated in Delaware on July 21, 2020 under the name “Tailwind Acquisition Corp.” as a special purpose acquisition company, formed for the purpose of effecting an initial business combination with one or more target businesses. On September 9, 2020 (the “IPO Closing Date”), we consummated our initial public offering (the “IPO”). On January 31, 2023, we consummated a business combination with Nuburu Subsidiary, Inc. f/k/a Nuburu, Inc. (“Legacy Nuburu”), a privately held operating company which merged into our subsidiary Compass Merger Sub, Inc. (the “Business Combination”) and changed our name to “Nuburu, Inc.,” and we became the owner, directly or indirectly, of all of the equity interests of Nuburu Subsidiary, Inc. and its subsidiaries. Unless the context requires otherwise, references to “Nuburu,” “we,” “us,” or “our” in this section are to the business and operations of Legacy Nuburu prior to the Business Combination and to Nuburu, Inc. (the “Company”) and its subsidiaries following the Business Combination.

During 2024, our focus was on developing and delivering high-power, high-brightness blue laser technology with a broad range of high value applications that included welding and 3D printing. In 2024, we had approximately 220 granted and pending patents and patent applications globally, which included: blue laser applications such as welding, blue laser technologies, single mode blue laser technology, blue Raman laser technologies, addressable array technologies, and 3D printing using blue lasers. We shipped blue laser systems for applications including EV batteries, medical device production, large screen displays, and cell phone components. In the fourth quarter of 2024, our senior secured lenders provided notice of default with respect to our outstanding secured indebtedness and initiated a foreclosure process with respect to our patent portfolio that served as collateral for our outstanding secured indebtedness (the “Foreclosure”). In the first quarter of 2025, such secured lenders completed the Foreclosure sale and obtained such patents in exchange for extinguishing our outstanding secured indebtedness, while we retained our non-patent intellectual property, including trade secrets and know-how. Following the Foreclosure, we have adjusted our laser business to focus on licensing certain intellectual property, as well as using retained intellectual property primarily for purposes of product development related to our new dual-use Defense and Security Platform, as described below.

On February 27, 2026, we effected a 1-for-4.99 reverse stock split of our Common Stock (the “2026 Reverse Stock Split”). The 2026 Reverse Stock Split has been reflected retroactively to all Common Stock and per share amounts. Proportional adjustments were made to the number of shares of Common Stock issuable upon exercise, vesting, or conversion of our outstanding stock options, restricted stock units, warrants, convertible notes, preferred stock, and other instruments convertible into or exercisable for Common Stock, as well as the applicable exercise prices, conversion prices, and per share grant date fair values.

Our Transformation Plan

In January 2025, we adopted a new business plan focused on building a stable foundation for the future business, including addressing outstanding payables, entering into joint development agreements, and investing in controlling interests in strategic targets (the “Transformation Plan”). In connection with the Transformation Plan, we agreed to certain governance changes, including the appointment of Alessandro Zamboni as our Executive Chairman and changes to our Board of Directors.

Overview of Our Dual-Use Defense and Security Platform

Pursuant to our Transformation Plan, we have become a defense, security, and critical-infrastructure technology company focused on the development, integration, and deployment of dual-use, non-kinetic, and software-orchestrated solutions addressing modern security and resilience challenges across military, governmental, and civilian domains. We operate a modular, platform-based business model that integrates directed-energy technologies, electronic-warfare capabilities, and a software-centric command, control, and orchestration layer through a combination of wholly owned subsidiaries, strategic investments and partnerships, and industrial cooperation arrangements.

During 2025, we undertook a comprehensive strategic transformation designed to reposition us from a legacy industrial laser manufacturer into a dual-use defense and security platform (“Defense and Security Platform”). As part of this transformation, we realigned our operating model toward licensing, joint development, system integration, and asset-light manufacturing, while retaining and expanding core non-patent intellectual property, engineering know-how, software capabilities, and system-architecture expertise.

Our Defense and Security Platform operates as a vertically integrated stack of capabilities, with each layer building upon foundational elements to deliver comprehensive mission capability. Our platform is designed to provide separate layers of distinct functional capabilities while integrating with adjacent layers through a unified software-defined control infrastructure, which enables both independent operation of specific capabilities and coordinated multi-layer mission execution. These layers consist of software governance, including AI-driven orchestration software, risk management platforms, unified command and full auditability; directed energy and electronic warfare (EW) effects, including laser systems, electro-magnetic capabilities and sensor integration; physical integration, including vehicle systems, tactical deployment and field operations; mobile manufacturing, including deployable production and rapid capability deployment; and commercial acceleration, including market access, regulatory expertise and defense partnerships.

In connection with this transformation, in early 2026, we completed the acquisition of Lyocon S.r.l. (“Lyocon”), an Italian photonics and laser-engineering company specializing in the design, development, and production of advanced laser sources, optics, electronics, and customized laser systems for industrial, medical, and high-reliability applications. This acquisition has expanded our in-house engineering, assembly, testing, and demonstration capabilities for laser-based and directed-energy systems applicable to both defense and civilian security use cases. These use cases include the protection of critical infrastructure, ports, borders, transportation hubs, and other sensitive assets, as well as applications in agri-tech and food-system resilience, where laser-based technologies may be applied to mitigate operational, environmental, and supply-chain risks. We also entered into industrial and network cooperation arrangements with defense and technology partners, including Tekne S.p.A. (“Tekne”), a defense-tech company that specializes in the design, production, and outfitting of a diverse range of vehicles, including industrial and military applications, as well as electronic devices for defense and security, advanced telecommunications, and tracking systems. These arrangements are intended to support scalable production, system integration, and access to established defense and dual-use supply chains.

A central pillar of our platform is our software and data-orchestration capability, which is being developed and expanded through Orbit S.r.l. (“Orbit”), an Italian software company specializing in digitalizing operational resilience solutions for mission-critical corporations. We acquired a 10.7% ownership interest in Orbit in October 2025 and an additional 11.3% ownership interest in January 2026. As a result of owning an approximate 22% ownership interest in Orbit in January 2026, we obtained control of Orbit’s board of directors and now hold a controlling position in Orbit. Orbit provides a software platform focused on operational resilience, data integration, and decision support, enabling the coordination, monitoring, and governance of complex systems and assets. Within our platform architecture, Orbit’s software capabilities are intended to function as a unifying software-defined control layer supporting sensor fusion, situational awareness, workflow orchestration, and auditability across both kinetic and non-kinetic components, as well as across defense, civilian, and critical-infrastructure environments.

Our Defense and Security Platform is designed to be applicable not only in military and governmental contexts, but also in civilian critical sectors where regulatory frameworks increasingly emphasize operational resilience, continuity of essential services, and systemic risk management. These sectors include financial services, energy, transportation, agriculture and food systems, and other critical-infrastructure operators. In this context, certain agri-tech applications—such as precision laser-based systems aimed at reducing dependency on chemical inputs, improving crop reliability, and mitigating environmental and operational risks—are viewed by us as part of a broader security and resilience framework related to food security and supply-chain stability.

This regulatory and risk-management focus underpins Orbit’s current portfolio of customers, which consists primarily of financial institutions and selected critical-infrastructure service providers, and informs our broader strategy of addressing converging defense, security, environmental, and civilian resilience requirements through a common, software-orchestrated platform approach.

In addition, we recognize that certain portions of our business—particularly those involving hardware-intensive solutions such as directed-energy systems, special-purpose platforms, and integrated defense or security assets—require capital-intensive supply chains and careful management of inventory, procurement cycles, and working capital in order to scale effectively. As part of our long-term platform strategy, we have made a strategic investment in a single financial-technology platform, Supply@ME Capital Plc ("SYME"), as further described below, which is focused on working-capital solutions with particular emphasis on inventory-related financing and optimization.

This SYME investment is intended to support the scaling of our operating businesses by enhancing supply-chain resilience, liquidity management, and capital efficiency, particularly in contexts where inventory ownership, production lead times, and delivery cycles are material to execution. Our investment in SYME is positioned as a supporting, integrated capability enabler within our platform and does not represent a broader financial-services business or investment strategy to us.

In furtherance of our Defense and Security Platform, in January 2026, we partnered with Maddox Defense Incorporated (“Maddox”) on a contractual joint venture for the development of a modular, containerized, mobile additive manufacturing platform capable of producing drone components, pods, mission-critical structural parts and related components for defense and security applications.

We continue to evaluate and pursue strategic investments, acquisitions, joint ventures, and cooperation initiatives that complement our platform strategy, expand our technological and software capabilities, and support long-term participation in defense and dual-use security, resilience, and food-system stability programs in the United States, Europe, and other allied markets.

Key Technology and Platform Advantages

Our technology portfolio is built around a combination of directed-energy laser systems, electronic-warfare capabilities, and software-based orchestration and analytics, designed to operate as individual components or as part of an integrated Defense and Security Platform. While laser technology remains a foundational element of our offerings, our competitive positioning is based on the coordinated use of multiple technologies rather than reliance on a single component. Our Defense and Security Platform enables progressive deployment, flexible scaling, and adaptive configuration based on operational requirements and threat environments.

Directed-Energy and Laser Technologies

Directed-energy systems based on blue and green laser technologies provide several advantages in defense, security, and dual-use applications, particularly in non-kinetic (i.e. information and electronic focused, rather than physical force or destruction) scenarios:

- high optical absorption in common sensor materials, enabling effective sensor denial at lower power levels compared to infrared systems;
- rapid engagement capability without the need for pre-heating or kinetic interceptors;
- low cost per engagement relative to kinetic interception systems;
- precision and controllability, enabling graduated responses and reduced collateral effects;
- applicability across multiple operational domains, including land, maritime, and certain underwater environments; and
- suitability for integration within layered defense architectures and escalation-control doctrines.

Electronic Warfare and Spectrum-Related Capabilities

In addition to laser-based effects, our platform approach incorporates electronic-warfare and electromagnetic-spectrum-related capabilities designed to support detection, disruption, protection, and coordination functions. These capabilities are intended to complement directed-energy systems by enabling multi-layered responses to threats, improving situational awareness, and supporting coordinated engagement strategies across sensors and effectors.

Software-Based Orchestration and SaaS Capabilities

A key differentiator of our approach is the integration of software-based command, orchestration, and analytics capabilities, including software-as-a-service models delivered through cloud and hybrid architectures. Through Orbit, we develop software platforms focused on operational resilience, data integration, decision support, and governance. These platforms enable:

- aggregation and correlation of data from multiple sensors and systems;
- workflow orchestration and coordinated tasking across kinetic and non-kinetic components;
- auditability, logging, and governance of operational activities; and
- scalability across defense, governmental, and regulated civilian environments.

Software-based delivery models allow for modular deployment, recurring revenue structures, and continuous enhancement without the need for full system replacement.

Dual-Use Platform-Level Integration

The combined use of directed-energy, electronic-warfare, and software technologies enables us to offer a modular, platform-based architecture, in which individual capabilities can be deployed independently or progressively integrated over time for both defense and civilian commercial applications. This “building-block” approach is intended to provide customers with flexibility, scalability, and adaptability as operational requirements, threat environments, and regulatory constraints evolve.

Together, these technologies support our strategy of addressing converging defense, security, and civilian resilience needs through a unified, software-orchestrated platform rather than through stand-alone products.

Manufacturing and Supply

Historically, we conducted manufacturing operations at a leased facility in Centennial, Colorado, primarily focused on laser system assembly and testing. Following the Foreclosure of our patent portfolio and our related strategic repositioning, we have discontinued internal manufacturing operations in the United States.

As part of our transformation into a Defense and Security Platform, we have restructured our manufacturing and supply model around a combination of wholly-owned operating subsidiaries, industrial partners, and network-based production arrangements.

In this context, in early 2026, we completed the acquisition of Lyocon, which operates from a leased production and engineering site in Italy, supporting the design, assembly, testing, and demonstration of laser-based and directed-energy systems. The Lyocon facility includes:

- an open-space technical office supporting engineering and program activities;
- a meeting room for internal coordination and partner or customer engagement;
- a warehouse area supporting components, sub-assemblies, and logistics;
- an electrical and mechanical assembly and testing laboratory equipped with multiple benches, including a bench dedicated to system demonstrations;
- a clean-room environment housing optical assembly, alignment, and testing benches for precision photonics work; and
- a curtained clean-shield area configured for controlled optical assembly and optical testing activities.

Through this facility, Lyocon provides us with in-house capabilities for system engineering, prototyping, integration, validation, and customer demonstrations, as well as established relationships with specialized suppliers and subcontractors. These capabilities support our focus on directed-energy systems, non-kinetic effects, and application-specific configurations for defense, security, and critical-infrastructure use cases.

In parallel, in early 2026, we entered into a network and industrial cooperation arrangement with Tekne, an established defense and industrial technology company with operations in Italy. Under this arrangement, Tekne provides access to manufacturing capacity, systems-integration capabilities, and supply-chain infrastructure suitable for defense and security applications, including vehicle-mounted, fixed-site, and mobile platforms. This network-based approach is intended to enable us to scale production selectively and support program-specific requirements without maintaining capital-intensive, vertically integrated manufacturing facilities.

Under our current operating model, hardware manufacturing and system assembly are expected to be performed through a combination of Lyocon’s in-house capabilities, Tekne’s industrial network, Maddox's in-house capabilities and other qualified third-party manufacturers or suppliers, depending on application and customer requirements. Our internal focus remains on system architecture, non-patent intellectual property, software orchestration, and coordination of multi-supplier production and delivery.

Research and Development

Our research and development activities are conducted through a combination of subsidiary-level programs, centralized group initiatives, and collaboration with external partners. This structure is intended to balance domain-specific innovation with platform-level scalability and long-term technology coordination.

Each of our operating businesses and acquired subsidiaries maintains its own internal research and development activities aligned with its respective market focus, technical specialization, and regulatory environment. These activities include, as applicable, software development, system engineering, prototyping, testing, and application-specific adaptation of technologies. Research and development activities at the subsidiary level are funded through a combination of operating resources and capital support provided by us, subject to budget approvals and strategic priorities.

In addition to subsidiary-level research and development, we are investing in the development of a centralized research and development capability intended to support the evolution and scalability of our Defense and Security Platform. This centralized function is focused on identifying, evaluating, and integrating technologies that may enhance interoperability, software orchestration, data integration, system resilience, and cross-domain deployment across defense, security, and dual-use applications.

To govern and coordinate research and development activities across the group, we have established a technology coordination and advisory framework that includes designated leaders responsible for key technology verticals, together with selected external advisors. This group-level structure is intended to facilitate knowledge sharing, alignment of technical roadmaps, prioritization of innovation initiatives, and evaluation of emerging technologies relevant to our strategic objectives.

We may also directly evaluate and, where appropriate, participate in joint ventures, partnerships, consortiums, or other collaborative arrangements aimed at advancing research and development initiatives with a global scope. Such initiatives may involve industrial partners, academic institutions, technology providers, or governmental and multilateral programs, and are intended to complement internal development efforts and support the long-term evolution of our platform-based strategy.

Competition

We operate in multiple technology and market segments, each characterized by different competitive dynamics, customer profiles, regulatory frameworks, and procurement processes.

In the directed-energy and laser technology area, including blue- and green-laser systems, we compete with established industrial laser defense and civilian commercial manufacturers and technology providers. These competitors often have significantly greater financial, manufacturing, and operational resources, longer operating histories, and better-established customer relationships than we do. Competition in this area is based on performance, reliability, system-integration capabilities, regulatory compliance, and total cost of ownership, as well as the ability to adapt laser technologies to specific defense, security, and dual-use applications.

Beyond stand-alone laser technologies, our broader activities in the defense and security domain place us in competition with companies that seek to provide integrated defense and security platforms, rather than individual components. These competitors typically offer combinations of sensors, electronic-warfare capabilities, effectors, and command-and-control or mission-management software within unified system architectures.

In this context, our competitive positioning is focused on delivering a modular, platform-based approach, in which individual capabilities—such as directed-energy systems, electronic-warfare functions, and software-based orchestration—can be deployed independently or progressively integrated under a common command and control framework. This approach is intended to provide customers with flexibility, scalability, and the ability to adapt systems over time, in contrast to monolithic or single-vendor solutions.

We face competition from both specialized providers of individual subsystems and larger defense and security companies pursuing integrated, end-to-end platform strategies. Many of these competitors benefit from greater scale, broader product portfolios, and better-established positions within defense procurement ecosystems than we do. There can be no assurance that our platform-based strategy will be adopted by customers or that it will be able to compete effectively against integrated platform providers.

Government Regulation and Compliance

Our technologies, products, and services are subject to extensive regulation in the United States and internationally, particularly in the areas of product safety, export controls, defense, and dual-use technologies.

Historically, laser systems produced by us were classified as Class IV lasers under regulations administered by the U.S. Food and Drug Administration's Center for Devices and Radiological Health and were required to comply with applicable safety, labeling, and registration requirements. Products marketed outside the United States were subject to applicable foreign regulatory regimes, including European Union CE-marking requirements.

We are subject to U.S. export control laws and regulations administered by the U.S. Department of Commerce, Bureau of Industry and Security, including the Export Administration Regulations. We maintain export-compliance policies and procedures and expect to update them as our business evolves, including as we expand into defense and security applications.

As we increase our focus on defense, security, and dual-use technologies in Europe, particularly in Italy, we may become subject to additional regulatory frameworks governing strategic assets and national security. Italian "Golden Power" regulations and related EU and national defense regimes may require notification, review, or authorization of certain transactions, investments, cooperation arrangements, or operational activities involving defense or strategically significant technologies, including activities that do not involve a change of control. Authorities may impose conditions, limitations, or mitigation measures, or may delay or restrict certain transactions or activities.

In addition, to the extent we or our partners engage in the development, production, or testing of defense articles or defense services in the United States, including through potential future joint ventures or outsourced manufacturing activities, we may become subject to the International Traffic in Arms Regulations ("ITAR") administered by the U.S. Department of State. ITAR may restrict exports, re-exports, and transfers of controlled items, technical data, and know-how, including transfers to non-U.S. persons, and may require registrations, licenses, and ongoing compliance measures.

Compliance with these U.S., Italian, EU, and other international regulatory regimes may result in additional costs, delays, operational constraints, or limitations on our ability to pursue certain strategic initiatives.

Sales and Marketing

Historically, our sales efforts involved direct engagement by senior management with customers over extended sales cycles and required significant technical expertise and customer-specific evaluation.

Under our current operating model, sales and marketing activities are primarily executed at the operating subsidiary level, reflecting the specialized nature of our defense, security, dual-use, and software offerings. Go-to-market activities for defense, security, and critical-infrastructure solutions are conducted by the relevant subsidiaries and operating units, including those operating within the perimeter of Nuburu Defense, LLC and our wholly-owned or partially-owned subsidiaries, such as Orbit and Lyocon, as well as activities conducted in cooperation with industrial and network partners, including Tekne and Maddox, pursuant to applicable cooperation arrangements.

These subsidiary-level teams are responsible for customer engagement, solution positioning, technical pre-sales, and participation in program-specific procurement processes, including interactions with governmental, defense, and regulated civilian customers. This decentralized execution model is intended to align commercial activities closely with domain expertise, regulatory requirements, and customer-specific needs in each market segment.

We retain responsibility for centralized group-level activities, including corporate communications, public relations, investor relations, and selected group marketing initiatives intended to support overall brand positioning, strategic messaging, and coordination across our platform.

In addition, we have established a centralized revenue-officer function to support and coordinate go-to-market strategies across our subsidiaries and partnered activities. This function is intended to assist operating units in areas such as commercial strategy alignment, pricing frameworks, pipeline development, partner coordination, and execution of cross-platform opportunities, while sales execution and customer relationships remain primarily managed at the subsidiary level.

Future sales cycles are expected to continue to involve extended evaluation periods, technical validation, and, in certain cases, participation in government-sponsored programs, pilot projects, or framework agreements if and when commercialization is achieved. Revenue generation may include a mix of licensing fees, software subscriptions, system-integration services, joint-development arrangements, and program-based contracts, depending on the applicable business line and customer requirements.

Employees and Human Capital

As of December 31, 2025, we had nine total employees, five of which were full-time employees. We view our human capital investments as crucial for our success; however, we had to implement furloughs of employees during the year ended December 31, 2024 due to lack of funding. In January 2026, we completed the acquisition of Lyocon, which currently has six full-time employees, and we obtained a controlling interest in Orbit, which currently has eight full-time employees. None of our employees are either represented by a labor union or subject to a collective bargaining agreement. We continually evaluate our business needs and weigh the use of in-house expertise and capacity with outsourced expertise and cost. We currently outsource the functions of accounting, financial reporting, investor relations, human resources, and information technology to third-party consultants and service providers. We also use the services of advisors and consultants on projects on an as-needed basis. We anticipate that in order to reach our strategic objectives, we will be required to recruit and retain additional management, human resources, accounting, finance, technical, engineering and sales personnel.

Investments, Acquisitions and Joint Ventures during 2025 and 2026

January 2026 Tekne Agreements

Effective as of January 13, 2026, we, through Nuburu Defense, LLC (“Nuburu Defense”), our wholly-owned subsidiary, executed definitive agreements with Tekne and its shareholders, implementing (i) the “Contratto di Rete” (the “Network Contract”), which is a specific form of joint-venture contractual agreement under Italian law, (ii) our initial 2.9% investment in Tekne, and (iii) a convertible receivable made by us to Tekne (the “Tekne Convertible Receivable”). In connection with these arrangements, the parties agreed that the Tekne Financial Assurances (which consist of $4,200,000 in assets placed in escrow by S.F.E. Equity Investments SARL (“SFE EI”) for purposes of guaranteeing our performance obligations in connection with acquiring an interest in Tekne and $875,000 in cash collateral provided by us and used to obtain a letter of credit for Tekne) will remain in place for the foreseeable future.

Network Contract. The Network Contract entered into between Tekne and Nuburu Defense has an initial term ending December 31, 2030, which will be renewed on an annual basis thereafter unless a party terminates in writing at least 30 business days prior to December 31st. The Network Contract programs currently include (i) the Americas Program, pursuant to which Tekne is granting exclusive distribution rights for Tekne’s products and solutions within the Americas to Nuburu Defense; (ii) the NATO MENA APAC Program, pursuant to which Tekne will supply its knowledge, workforce, and production and operational facilities, Nuburu Defense will provide guarantees, use its inventory purchasing hub for the purchase of receivables and bear the expenses in connection with legal, marketing, and representation activities and the establishment of regional production sites, and the parties may pursue joint ventures with local companies; and (iii) the Italy Program, which includes the joint study and proposal to Tekne's customers of Nuburu Defense's products, the adoption by Tekne of Nuburu Defense's operational resilience solutions through Orbit, and the possible implementation of cooperation models similar to the ones used in the NATO MENA APAC Program for orders for Italian customers. Activities under the Network Contract are governed by a Common Body, which is composed of two representatives from each of Tekne and Nuburu Defense. The Common Body includes Mr. Zamboni and Mr. Barisoni on behalf of Nuburu Defense, and Ambrogio D'Arrezzo and another individual designated by Mr. D'Arrezzo on behalf of Tekne. Decisions require unanimous agreement of the members of the Common Body. Nuburu Defense may also provide consultancy services to Tekne in exchange for 8% of the actual amounts used by Tekne under the Tekne Convertible Receivable.

Acquisition of 2.9% Interest. We entered into the Share Transfer and Shareholder Convertible Loan Agreement (the "Tekne Purchase Agreement") with Mr. D'Arrezzo, Carlo Ulacco, and Andrea Lodi, the shareholders of Tekne (the "Tekne Shareholders"), pursuant to which we obtained a 2.9% interest in Tekne from Mr. D'Arrezzo and we issued to Tekne the Tekne Convertible Receivable. Under the Tekne Purchase Agreement, Mr. D'Arrezzo agreed to sell a 2.9% interest in Tekne to us or our subsidiary, in exchange for the issuance of a Subordinated Convertible Note (the "Tekne Subordinated Convertible Note") in the principal amount of $1,740,000 by us to Mr. D'Arrezzo. The Tekne Subordinated Convertible Note may be converted into 1,394,790 shares of Common Stock at a fixed conversion price of $1.25 per share of Common Stock. The Tekne Subordinated Convertible Note has a maturity date of January 31, 2027, bears no interest except in the event of a default, and may not be repaid or redeemed in cash. The Tekne Subordinated Convertible Note may either be converted into shares of Common Stock following the receipt of the Italian government regulatory approvals required to approve our acquisition of a controlling interest in Tekne, or the Tekne Subordinated Convertible Note will be automatically extinguished upon the exercise of put and call options for the required transfer of the 2.9% interest in Tekne from us back to Mr. D'Arrezzo, if the required regulatory approvals are not obtained. Upon the transfer of the 2.9% interest to us, an Observer is being appointed to Tekne's board of directors acceptable to us, Mr. Sinnott will remain as a director of Tekne, certain administrative structures will be adopted by Tekne, Tekne will evaluate the adoption of Orbit's "operational resilience" platform, and Tekne's financial reporting processes will be adjusted to comply with U.S. GAAP.

Tekne Convertible Receivable. Under the Tekne Purchase Agreement, we funded the Tekne Convertible Receivable in the amount of €13,000,000 to Tekne by depositing funds in a bank account pledged by Tekne to us. Tekne may use the proceeds for certain purposes set forth in the Tekne Purchase Agreement. The Tekne Convertible Receivable has a 4% per annum interest rate and a maturity date of January 13, 2027. Tekne may prepay the Tekne Convertible Receivable in whole or in part without penalty. We may request and obtain full repayment of the Tekne Convertible Receivable upon the repeated use of the funding for unapproved purposes, a change of control, or a negative outcome of the Italian government Golden Power review of our anticipated acquisition of a controlling interest in Tekne. If the required Italian regulatory approvals are obtained, we may elect to receive newly issued shares of Tekne equal to a 25% interest in Tekne (the "Capital Increase") in consideration for issuing the Tekne Convertible Receivable. Any early repayment of the Tekne Convertible Receivable will not reduce the amount of the Capital Increase that we are entitled to make. Following the Capital Increase, we would own a 27.9% interest in Tekne and would receive governance rights in Tekne consistent with our ownership percentage in Tekne under new by-laws adopted by Tekne.

March 2026 Tekne Letter

In a letter, dated March 19, 2026 (the "March Tekne Letter"), among us, Nuburu Defense and the Tekne Shareholders, we agreed to increase the amount of the Tekne Convertible Receivable from EUR 13,000,000 to EUR 16,692,000, which would represent a 32.1% interest in Tekne. We confirmed our intention to file an application to the *Presidenza del Consiglio dei Ministri* in accordance with the Italian Golden Power regulations ("GP Authorization") and to make the Capital Increase of EUR 13,000,000, which would represent a 25% interest in Tekne, upon receipt of the GP Authorization. Subject to obtaining GP Authorization, we plan to obtain a 60% interest in Tekne from (i) the 2.9% interest obtained from Mr. D'Arrezzo in January 2026, (ii) the conversion of the Tekne Convertible Receivable into a 32.1% interest in Tekne, and (iii) the 25% interest obtained from the Capital Increase. Thereafter, we plan to obtain an additional 10% interest in Tekne from the Tekne Shareholders on a pro-rata basis, for EUR 6,000,000 paid in cash, which would result in our owning a 70% interest in Tekne.

Under the March Tekne Letter, the parties also agreed to (i) as part of a restructuring plan for Tekne under Italian law, a possible purchase or financial lease of an industrial complex located in the Municipality of Ortona (CH) in Contrada Villa Caldari and the development of further business lines between us, Nuburu Defense and Tekne, including the manufacture of mobile units for the dual-use production of drones and related components, and (ii) a spin-off from Tekne of its equity interest in Turismo Italia S.r.l. and certain vehicles. We, Nuburu Defense, and the Tekne Shareholders plan to negotiate in good faith and enter into definitive agreements to complete the transactions set forth in the March Tekne Letter.

Orbit Transactions (Related Party)

On October 31, 2025, we, Nuburu Defense, Alessandro Zamboni, and Vanguard Holdings S.r.l. ("Vanguard"), a newly-formed Italian limited liability company wholly owned by Alessandro Zamboni, entered into a Sale, Purchase and Investment Agreement (the "Orbit Agreement") for the sale of all of the ownership interests in Orbit to Nuburu Defense (the "Orbit Acquisition"). Nuburu Defense is permitted to make up to a $5,000,000 equity investment in Orbit (the "Equity Infusion"), the proceeds of which are anticipated to provide working and growth capital (including for the repayment of payables incurred in the ordinary course of business) for Orbit. In addition to the Equity Infusion, Nuburu Defense will acquire all outstanding capital stock of Orbit from Vanguard for an aggregate purchase price of $12,500,000, consisting of $3,750,000 in cash and $8,750,000 in securities (the "Orbit Consideration"). Effective as of February 3, 2026, the parties to the Orbit Agreement agreed to issue 10,020,040 shares of Common Stock to satisfy the securities component of the Orbit Consideration. Since Orbit is wholly owned by Alessandro Zamboni, our Executive Chairman and Co-Chief Executive Officer, indirectly through Vanguard, the Orbit Acquisition constitutes a related party transaction under U.S. securities laws and, as a result, the Orbit Acquisition and Orbit Agreement have been reviewed and approved by our independent directors and our Audit Committee and securities to be issued in connection with such transaction were approved by the Company's stockholders at a special meeting held on March 12, 2026.

Under the Orbit Agreement, we have agreed to consummate the Equity Infusion in tranches, with the final tranche closing no later than October 7, 2028. We paid $1,500,000 of the Equity Infusion amount in connection with the signing of the binding letter of intent, dated October 6, 2025, between us and Alessandro Zamboni, resulting in our holding a 10.7% ownership interest in Orbit. Effective as of January 15, 2026, we closed on a second tranche of the Equity Infusion, resulting in our now owning approximately 22% of Orbit. The board of directors of Orbit has been reconstituted and is now comprised of Mr. Zamboni (Chairman and Executive Director), Mr. Barisoni, and Anthony D. Sinnott.

As a result of obtaining control of Orbit's Board of Directors, Orbit became a consolidated subsidiary of the Company on January 15, 2026, and the transaction will be accounted for as a business combination under ASC 805, *Business Combinations*. As of the date of this Annual Report on Form 10-K, the initial accounting for the business combination of Orbit, including the preliminary determination of the fair values of the assets acquired and liabilities assumed, is incomplete due to the proximity of the closing and the ongoing valuation procedures.

Under the Orbit Agreement, in exchange for the Orbit Consideration, we will acquire full ownership of Orbit from Vanguard in tranches, with the final tranche closing no later than December 31, 2026.

Lyocon Acquisition

On November 28, 2025, we entered into a binding term sheet with the owners of Lyocon, pursuant to which we, through Nuburu Subsidiary, Inc. ("Nuburu Subsidiary"), intended to acquire all of the ownership interests in Lyocon. On January 15, 2026, we, through Nuburu Subsidiary, consummated the acquisition of all of the ownership interests in Lyocon from Paola Zanzola ("PZ") and Alessandro Sala ("AS" and, together with PZ, the "Sellers"). Pursuant to a Purchase and Sale Agreement, among us, Nuburu Subsidiary and the Sellers, we paid $2,000,000 in consideration to the Sellers, including (i) $750,000 in cash to the Sellers on the closing date, and (ii) a subordinated convertible note in the principal amount of $625,000 to each of the Sellers, which bears no interest, except in the event of a default, and has a maturity date of March 19, 2027 (the "Lyocon Maturity Date"). At the Lyocon Maturity Date, the holder of a convertible note may elect to convert all or a portion of the outstanding principal amount and accrued interest into shares of Common Stock at a conversion price of $1.47, which equals the volume-weighted average price ("VWAP") of the Common Stock during the 60 trading days immediately preceding the closing date (as adjusted for the 2026 Reverse Stock Split). At the Lyocon Maturity Date, the holder of a convertible note has the right to request us to satisfy all or a portion of the outstanding principal and accrued interest under such convertible note in cash. We may elect to pay all or a portion of the outstanding principal amount and accrued interest under a convertible note in cash in lieu of shares of Common Stock in the event the VWAP of the Common Stock during the 60 trading days immediately preceding the Lyocon Maturity Date is at least 30% higher than the conversion price.

The Sellers may receive an earn out payment of up to an aggregate of $1,000,000 (the "Earn-out Cap"), which would be earned over a 5-year period, with potential earn-out payments being made at the end of 2028 and the end of 2030, upon achievement of certain milestones.

We will also provide $1,000,000 in funding to Lyocon in the form of capital contributions or other debt facility, at our election, of which $500,000 was paid on the closing date, $250,000 is due within 12 months of the closing date, and the remaining $250,000 is due within 24 months of the closing date, but not later than December 31, 2027. In the event that Nuburu Subsidiary ceases to hold more than a 50% interest in Lyocon, any unpaid funding amount will become due and payable upon such loss of control of Lyocon. If Nuburu Subsidiary fails to make a funding payment when due, which is not remedied within 30 days from written notice thereof, the Sellers will be entitled to an earn-out amount of 30% of the Earn-out Cap.

Following the closing date, Lyocon is managed by a board of directors (the "Lyocon Board") nominated by Nuburu Subsidiary; provided that PZ will be designated as a member of the Lyocon Board for an initial term of 3 years, renewable until the expiration of the five-year business plan developed by the parties. The Lyocon Board is now comprised of Dario Barisoni (Chairman and Executive Director), Alessandro Zamboni, and PZ (Executive Director). The Sellers are employed as managers of Lyocon and entitled to participate in a management equity incentive plan under which they may receive equity awards for Common Stock to be issued by us.

Lyocon became a consolidated subsidiary of the Company on January 15, 2026, and the transaction will be accounted for as a business combination under ASC 805, *Business Combinations*. As of the date of this Annual Report on Form 10-K, the initial accounting for the business combination of Lyocon, including the preliminary determination of the fair values of the assets acquired and liabilities assumed, is incomplete due to the proximity of the closing and the ongoing valuation procedures.

SYME Convertible Note Receivable and Strategic Investment (Related Party)

On March 14, 2025, we entered into a convertible note receivable with SYME to invest up to $5,150,000 in SYME. As of the date hereof, we have invested the full $5,150,000. SYME is a fintech platform focused on Inventory Monetisation© solutions for manufacturing and trading companies. Upon conversion, we are expected to hold a controlling interest in SYME. Following approval by SYME stockholders, the Financial Conduct Authority, and The Panel on Takeovers and Mergers (collectively, the "Approvals"), we may convert amounts outstanding under the facility into ordinary shares of SYME at a fixed conversion rate of £0.00003 per ordinary share, with conversion shares accompanied by a warrant to acquire one additional ordinary share of SYME for every two ordinary shares of SYME issued on any conversion, with an exercise price of £0.000039, as well as the ability to exercise on a cashless basis. Our Executive Chairman and Co-Chief Executive Officer is the founder and current Chief Executive Officer of SYME, and as a result, the proposed investment was negotiated and approved by our independent board members.

SYME and its operating subsidiaries provide its platform for use by manufacturing and trading companies to access inventory trade solutions, enabling their businesses to generate cashflow, through a non-credit arrangement and without incurring debt. This is achieved by their existing eligible inventory being added to the platform and then monetised through purchases by third-party inventory funders. The inventory to be monetised can include warehoused goods waiting to be sold to end-customers or goods that are part of a typical import/export transaction.

In September 2025, in connection with an inventory monetization program related to the Tekne transaction, we advanced $400,000 to a special purpose vehicle affiliated with SYME (the "SYME Inventory Advance"), pursuant to an advance payment letter in connection with a proposed subscription of a financial instrument to be issued by such entity with the aim of monetizing the inventory of Tekne. On March 12, 2026, we entered into a bond subscription agreement (the "SYME 3 Agreement") with Supply@ME Stock Company 3 S.r.l. ("SYME 3"), an affiliate of SYME For a description of the SYME 3 Agreement, see Note 17 to the consolidated financial statements included herein.During the year ended December 31, 2025, we advanced a total of $5,668,545 in SYME Inventory Advances.

Heckler & Koch AG Investment

On February 6, 2026, we entered into a Securities Purchase Agreement (the "H&K Investment Agreement") with Brick Lane Capital Management Limited ("Brick Lane") pursuant to which we acquired from Brick Lane 295,000 shares (or approximately 0.8% of the outstanding common shares) of Heckler & Koch AG ("H&K"), a leading manufacturer of small firearms for NATO and EU countries whose shares are listed on Euronext Paris under the ticker MLHK, for an aggregate purchase price of $15,000,000, which was paid by Subordinated Convertible Note (the "H&K Investment Note"). The H&K Investment Note bears no interest except in the event of a default, has a March 19, 2027 maturity date, and is convertible for $0.7560 per share, which was the closing VWAP on the day prior to the execution date of the H&K Investment Agreement (as adjusted for the 2026 Reverse Stock Split). Conversion of the note is limited in the event stockholder approval or an increase in authorized shares is required, or when conversion would result in Brick Lane and its affiliates beneficially owning more than 9.9% of our then outstanding shares of Common Stock. The H&K Investment Note is subordinate to (i) the currently outstanding Series A Preferred Stock, solely with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, and (ii) the debenture (the "Debenture") that we issued to YA II PN, LTD. ("YA") in the principal amount of $25,000,000 in December 2025. We are required to file a resale registration statement for the shares of Common Stock issuable upon conversion of the H&K Investment Note by no later than 10 business days following the filing of this Annual Report on Form 10-K with the SEC.

Maddox Joint Venture

On October 22, 2025, we entered into a non-binding Strategic Framework Agreement (the "SFA"), among us, Nuburu Defense and Maddox, pursuant to which we and Maddox agreed to establish a joint venture to develop, manufacture, and deploy military drones for NATO customers and for commercial or civilian unmanned aerial vehicle (UAV) applications.

On February 26, 2026, we and Nuburu Defense entered into a Contractual Joint Venture Agreement (the "Maddox Agreement"), with Maddox, pursuant to which we and Maddox have established a contractual joint venture for the development of a modular, containerized, mobile additive manufacturing platform capable of producing drone components, pods, mission-critical structural parts and related components for defense and security applications (the "Maddox Program" or the "Maddox Product").

Under the Maddox Agreement, the Maddox Program is structured in two phases. Phase I is the development phase, during which we will fund up to $4,000,000 (the "Development Funds") for Maddox's development of the first full operating container at its U.S. facility. We will be entitled to a governance, supervision, accounting, compliance and reporting allocation (the "Governance Allocation") equal to 10% of the Development Funds. We are entitled to a total reimbursable amount (the "Reimbursable Amount") consisting of the Development Funds actually funded and the Governance Allocation applicable to such Development Funds. During Phase I, a Steering Committee consisting of two representatives appointed by each of us and Maddox will supervise the execution of the Maddox Program. Decisions of the Steering Committee require majority approval and, in the event of a deadlock, the parties must follow the processes set forth in the Maddox Agreement. Phase I will continue until the Maddox Product has successfully completed factory and site acceptance testing and has been certified as market-ready by the Steering Committee.

Phase II is the commercialization phase, during which the parties will form a new entity ("NewCo") that will be owned 60% by us and 40% by Maddox. NewCo will be governed by a board consisting of five members, three of whom are appointed by us and two of whom are appointed by Maddox. NewCo will be the exclusive commercial vehicle for sales and production of the Maddox Product. During Phase II, until the Reimbursable Amount has been fully repaid to us, all distributable profits of NewCo will be allocated to us and Maddox's 40% equity interest in NewCo will be pledged in favor of us. Thereafter, distributions will be made in accordance with ownership percentages. NewCo will serve as prime contractor for U.S. and European Union ("EU")/NATO contracts to the extent permissible; provided that, if necessary, Maddox may act as prime contractor on behalf of NewCo for U.S. contracts and Nuburu, or Tekne, pursuant to a technology transfer agreement with us, may act as prime contractor on behalf of NewCo for EU/NATO contracts. Maddox will lead commercial engagement in the U.S. and we will lead commercial engagement in the EU and NATO territories.

The Maddox Agreement has an initial five-year term and will automatically renew for successive one-year terms unless a party provides notice of non-renewal at least 90 days prior to the expiration of the current term.

Cooperation Agreement with Beryl

On March 3, 2026, Nuburu Defense entered into an International Cooperation Agreement ("Beryl Agreement") with Tekne and Engineering Bureau Beryl LLC ("Beryl"), pursuant to which the parties will collaborate to support the deployment in Ukraine of a high-performance vehicle developed and manufactured by Tekne based on the Graelion platform, known as the "Tekne Graelion" (the "Graelion Product"). The Beryl Agreement provides a framework for the qualification, deployment, and coordinated industrial scaling of the Graelion Product in Ukraine. Tekne and Nuburu Defense are parties to the Network Contract, which is a specific form of joint-venture contractual agreement under Italian law, and this program is being entered into by Tekne and Nuburu Defense in connection with the Network Contract.

Beryl, a Ukrainian industrial company currently producing and supplying vehicles to Ukrainian military forces, is expected to verify compliance of the Graelion Product with the characteristics stated by the manufacturer, carry out mission-specific kit integration to bring the Graelion Product into conformity with the technical requirements of state customers in Ukraine, and demonstrate the Graelion Product to potential customers. Tekne will be the sole provider of the Graelion Product chassis and core technology required to operate the Graelion Product.

The Beryl Agreement provides a two-year exclusivity period during which (i) Beryl is prohibited from representing any product that competes with the Graelion Product, except for contracts entered into by Beryl prior to the effective date of the Beryl Agreement, and (ii) Tekne will not enter into negotiations with any other third party with respect to the deployment of the Graelion Product in Ukraine or development of the mission-specific kit integration of the Graelion Product. Under the Beryl Agreement, and as part of the Network Contract, Nuburu Defense and Tekne will establish a joint representative office in Kyiv to serve as the program's operational, industrial and compliance coordination center. Under the Beryl Agreement, Nuburu Defense may provide capital, advance payments, and procurement support, enabling Tekne to acquire materials and components for the

Graelion Product. Nuburu Defense and Tekne will jointly assess and determine the economic feasibility of any transaction involving the Product, including pricing, margin structure and overall program profitability thresholds.

Available Information

Our internet address is https://nuburu.net. We will file or furnish periodic reports and amendments thereto, including our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K (and amendments to those reports), proxy and information statements and other information filed or furnished pursuant to Sections 13(a) and 15(d) of the Exchange Act with the SEC. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically, which may be accessed through the SEC at http://www.sec.gov. Our reports, amendments thereto, proxy statements and other information are also made available, free of charge, on our investor relations website at https://ir.nuburu.net as soon as reasonably practicable after we electronically file or furnish such information with the SEC. The information contained on the websites referenced in this Annual Report on Form 10-K is not incorporated by reference into this filing. Further, our references to website URLs are intended to be inactive textual references only. All statements made in any of our securities filings, including all forward-looking statements or information, are made as of the date of the document in which the statement is included, and we do not assume or undertake any obligation to update any of those statements or documents unless we are required to do so by law.

ITEM 1A. RISK FACTORS

An investment in our Common Stock or preferred stock, $0.0001 par value per share (“Preferred Stock”) involves risks. Prior to making a decision about investing in our Common Stock or Preferred Stock, you should consider carefully the risks together with all of the other information contained in this Annual Report on Form 10-K, including any risks described below. Each of the referenced risks and uncertainties could adversely affect our business, operating results, and financial condition, as well as adversely affect the value of an investment in our securities. Additional risks not known to us or that we believe are immaterial may also adversely affect our business, operating results, and financial condition and the value of an investment in our securities.

Risks Relating to Our Business and Operations

We are an early-stage company with a history of losses. We have not been profitable historically and may not be able to achieve profitability in the future.

Our consolidated financial statements as of and for the year ended December 31, 2025 included elsewhere in this Annual Report on Form 10-K have been prepared assuming we will continue as a going concern. If we are unable to generate sufficient cash flow to sustain our operations or raise additional capital in the form of debt or equity financing, this could affect our ability to continue as a going concern in the future. Since our inception in 2015, we have incurred significant net losses and have used significant cash in our business. For the year ended December 31, 2025, we incurred a net loss of $79,071,276 (including significant non-cash expenses), and we had an accumulated deficit of $200,479,831 as of December 31, 2025. We anticipate that we will incur net losses for the foreseeable future and, even if we increase our revenues, there is no guarantee that we will ever become profitable. Our ability to achieve profitability in the future will depend on a number of factors, many of which are beyond our control.

Even if we do achieve profitability, we may be unable to sustain or increase our profitability in the long term. Our business may be disrupted at any time due to numerous factors outside of our control, including changes in the general macroeconomic outlook, local and regional volatility, global trade disputes, political instability, expropriation or nationalization of property, public health emergencies, and related government policies and restrictions designed to mitigate the effects of such emergencies, civil strife, strikes, insurrections, acts of terrorism, hostilities or the perception that hostilities may be imminent, military conflict, acts of war, including sanctions or other restrictive actions, by the United States or other countries, and natural disasters.

We will require additional capital to finance our operations and implement our business plan and strategy and if we are unable to raise such capital when needed, or on acceptable terms, that could have a material adverse effect on our ability to meet our financial obligations and support continued growth and development.

Consummating and implementing strategic acquisitions and commercializing products and services will require a significant amount of capital. As a result, we expect for some time to continue to incur substantial operating expenses without generating sufficient revenues to cover expenditures. In addition, changing circumstances, some of which may be beyond our control, could cause us to consume capital significantly faster than we currently anticipate, and we may need to seek additional funds sooner than planned.

We may obtain funding through public or private equity offerings, private investment in public equity ("PIPE") offerings, debt financings, joint ventures, partnerships, collaborations, and licensing arrangements, through obtaining credit from financial institutions or other sources. If we raise additional funds through future issuances of equity or convertible debt securities, our then existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Common Stock. If we raise additional funds through issuances of debt, we may be subject to restrictions on our operating activities. However, if we are unable to raise capital when needed or on acceptable terms, that could have a material adverse effect on our continued growth and development and/or we may be forced to cease operations. In addition, if adequate capital is not available to us, it may create substantial doubt among third parties, including suppliers and potential customers. Such doubt could adversely impact our business, reputation, prospects, and our consolidated financial statements. The report from our auditors for our consolidated financial statements as of and for the year ended December 31, 2025 includes an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern. These conditions and the related uncertainty regarding our ability to continue operations may materially limit our ability to raise additional funds through the issuance of equity or debt securities or through other financing arrangements. For additional information, refer to Note 1 to the consolidated financial statements included herein, for the Company’s evaluation of the events and conditions and its plans regarding the going concern matter.

To achieve our growth objectives, our management will rely on a rapid succession of strategic acquisitions, investments and procurement arrangements, the pace and scope of which may have the potential to adversely affect the day-to-day operation of our business, and our cash flows, financial condition and results of operations.

We are aggressively pursuing our growth strategy through a series of acquisitions, investments and procurement arrangements. For a company of our size and resources, the rapid pace and volume of deal-making activity may create risks and uncertainties that can have a material adverse effect on the daily conduct of our business, and negatively impact our cash flows, financial condition and results of operations. For example, we are exposed to the risk that the day-to-day management, oversight, and operation of our business and our financial results may be adversely affected by:

- the time and attention spent by our senior management and leadership in the identification and evaluation of prospective strategic initiatives, and the negotiation, funding and closing of those we choose to pursue;
- the time, attention and resources diverted to the integration of acquired businesses;
- the need to secure funding for new acquisitions and strategic investments or transactions;
- the exposure to successor liabilities not sufficiently identified, quantified or understood prior to the closing of a strategic transaction;
- the financial needs and management and operational improvements that may be necessary with respect to targets that are start-ups or emerging growth investments; and
- the potential loss of valuable existing employees or customers as a result of our entering into a strategic transaction with a counterparty with whom they may not wish to continue in an employment or commercial relationship.

We have incurred and may continue to incur substantial indebtedness to finance acquisitions. We have also issued equity and may issue additional equity, or convertible securities in connection with such acquisitions. Debt service requirements could represent a significant burden on our results of operations and financial condition, and the issuance of additional equity or convertible securities could be dilutive to our existing stockholders.

Our growth objectives require substantial capital that we may be unable to obtain, or may only obtain at a cost or under terms that adversely affect our cash flows, financial condition and results of operations.

In the event that our acquisitions or capital expenditure requirements are greater than the amounts then available to us, we may not be able to obtain funding from such alternative sources of capital, and may be required to curtail or eliminate contemplated activities. Even if we can obtain capital from alternative sources, the terms of such fundings may not be favorable to us. In particular, the terms of any debt financing may include covenants that significantly restrict our operations. Our inability to grow as planned may reduce our chances of maintaining and improving profitability.

We may have difficulty managing growth in our business, which could adversely affect our financial condition and results of operations.

Growth in accordance with our business strategy, if achieved, could place a significant strain on our financial, operational and management resources. As we expand the scope of our activities and our geographic coverage through both organic growth and acquisitions, there will be additional demands on our financial, legal, accounting, technical, operational and management resources. The failure to continue to upgrade our technical, administrative, operating and financial control systems or the occurrence of unexpected expansion difficulties, including the failure to recruit and retain experienced managers and other professionals, could have a material adverse effect on our business, liquidity positions, financial condition, results of operations and prospects and our ability to successfully or timely execute our business strategy.

We may experience difficulties in integrating acquired assets into our business and in realizing the expected benefits of an acquisition.

The success of an acquisition, if achieved, will depend in part on our ability to realize anticipated business opportunities and benefits from combining the acquired assets with our business in an effective and efficient manner. The integration process could take longer than anticipated and could result in the loss of key employees, the disruption of each company’s ongoing businesses, tax costs or inefficiencies or inconsistencies in standards, controls, information technology systems, procedures and policies, any of which could adversely affect our ability to maintain relationships with customers, employees or third parties or our ability to achieve the anticipated benefits, and could harm our financial performance. If we are unable to successfully or timely integrate acquired assets with our business, we may incur unanticipated liabilities and be unable to realize the anticipated benefits, and our business, results of operations and financial condition could be materially and adversely affected.

We may face antitrust and other legal challenges.

We may face antitrust and other legal challenges when acquiring controlling interests in other businesses, which could negatively impact our ability to close acquisition transactions. Antitrust enforcement is currently a priority of the Federal Trade Commission, the Department of Justice and many state agencies. The increasingly challenging antitrust enforcement environment and other regulatory review or approval processes could significantly delay or even prevent our ability to acquire controlling interests in other businesses and increase our acquisition costs, which could adversely affect our overall growth strategy.

Our limited operating history makes evaluating our business, the risks and challenges we may face and our future prospects difficult.

From our inception in 2015 to early 2025, we focused principally on developing our blue laser systems. We are now diversifying our business as described in our Transformation Plan. As a result, we have a limited history operating our business, and therefore a limited history upon which you can base an investment decision. If actual results differ from our estimates or we adjust our estimates in future periods, our operating results and financial position could be materially and adversely affected. You should consider our prospects in light of the risks and uncertainties companies encounter when introducing new technologies into a competitive landscape.

Our products and services involve a lengthy sales and installation cycle, and if we fail to close sales on a regular and timely basis it could harm our business. The long sales cycles for our products may cause us to incur significant expenses without offsetting revenues.

In order to make a sale, we must typically provide a significant level of education to prospective customers regarding the use and benefits of our products and our technology. The period between initial discussions with a potential customer and the sale of our products typically depends on a number of factors, including the potential customer's attitude towards innovative products, the potential customer's budget and whether the potential customer requires financing arrangements. Prospective customers often undertake a significant evaluation process, which may further extend the sales cycle. While our customers are evaluating our products, we may incur substantial sales, marketing and research and development expenses in exploring and demonstrating the suitability of our products to a customer's needs. Once a customer makes a formal decision to purchase our product, the fulfillment of the sales order by us requires a substantial amount of time. This lengthy sales and installation cycle is subject to a number of significant risks over which we have little or no control. Because of both the long sales and installation cycles, we may expend significant resources on attracting prospective customers without having certainty of generating sales.

These lengthy sales and installation cycles also increase the risk that our customers fail to satisfy their payment obligations or cancel orders before the completion of the transaction or delay the planned date for installation. If a customer terminates for convenience, we may be unable to recover some of our costs that we incurred prior to cancellation. We may need to procure long lead time items or place large order lot quantities for critical material well in advance of a termination leaving us with excess inventory. Our operating expenses are based on anticipated sales levels, and certain of our expenses are fixed. If we are unsuccessful in closing sales after expending significant resources or if we experience delays or cancellations, we may incur significant expenses without ever receiving revenue to offset those expenses, which would materially adversely affect our business and results of operations.

If we fail to meet our customers' price expectations, demand for our products could be negatively impacted and our business and results of operations could suffer.

Our long-term success will depend in part on our ability to price our products competitively. Many factors, including our production and personnel costs and our competitors' pricing and marketing strategies, can significantly impact our pricing strategies. If we fail to meet our customers' price expectations in any given period, demand for our products could be negatively impacted and our business and results of operations could suffer.

We anticipate that we will derive a portion of our revenue from government entities, and significant changes in the contracting or fiscal policies of such government entities could have an adverse effect on our business and operating results.

The growth of our business may be impacted by our partnerships with government entities and on our successful procurement of additional government contracts. However, demand is often unpredictable from government entities, and there can be no assurance that we will be able to generate revenue from the public sector. Factors that could impede our ability to generate revenue from government contracts, include, but are not limited to:

- public sector budgetary cycles and funding authorizations;
- changes in fiscal or contracting policies;
- decreases in available government funding;
- changes in government programs or applicable requirements; and
- potential delays or changes in the government appropriations or other funding authorization processes.

We are highly dependent on key executives and if we are unable to attract and retain key employees and hire qualified management, technical, engineering, and sales personnel, our ability to compete and successfully grow our business could suffer.

We believe that our success and our ability to reach our strategic objectives are highly dependent on our ability to recruit and retain key management, technical, engineering, production and sales personnel. If we are unable to recruit or retain any of our key employees, this could disrupt our operations, delay the development and introduction of our products and services and negatively impact our business, prospects, financial condition, and operating results.

If we lose a member of our management team or other key employee, it may prove difficult for us to replace him or her with a similarly qualified individual, which could impact our business and operating success. In addition, we do not have "key person" life insurance policies covering any of our officers or other key employees.

Our expectations and targets regarding the times when we will launch our products depend in large part upon assumptions, estimates, measurements, testing, analyses and data developed and performed by us, which if incorrect or flawed, could have a material adverse effect on our actual operating results and performance.

Our expectations and targets regarding the times when we will launch our products reflect our current expectations and estimates. Whether we will achieve these objectives when we expect depends on a number of factors, many of which are outside our control, including, but not limited to:

- success and timing of our development activity and ability to develop systems that achieve our desired performance metrics and achieve any requisite industry validations;
- unanticipated technical or manufacturing challenges or delays;
- adverse developments in relationships with any partners, including termination of any partnerships or changes in our partners' timetables and business plans, which could hinder our development efforts; and
- whether we can manage relationships with key suppliers and the availability of the raw materials and components we need;

Unfavorable changes in any of these or other factors, most of which are beyond our control, could materially and adversely affect our ability to achieve our objectives when planned and our business, results of operations and financial results.

We expect to incur significant research and development expenses and devote substantial resources to commercializing new products, which could increase our losses and negatively impact our ability to achieve or maintain profitability.

We will require significant capital to develop products and expect to incur significant expenses, including, but not limited to, those relating to research and development, procurement of raw materials and components, capital spending, leases, sales and distribution as we build our brand and market our products and services, and general and administrative costs as we scale our operations. If we are unable to efficiently design, appropriately price, and cost-effectively produce, sell and distribute our products and services, our anticipated margins, profitability and prospects would be materially and adversely affected.

Our insurance coverage may not adequately protect us from harm or losses we may suffer.

We may be subject, in the ordinary course of business, to losses resulting from product liability, accidents, acts of God, and other claims against us, for which we may have no insurance coverage. As a general matter, the policies that we do or may have may include significant deductibles, and we cannot be certain that our insurance coverage will be sufficient to cover future losses or claims against us. A loss that is uninsured or which exceeds policy limits may require us to pay substantial amounts, which could adversely affect our financial condition and operating results. Furthermore, although we plan to obtain and maintain insurance for damage to our property and the disruption of our business, this insurance may be challenging to obtain and maintain on terms acceptable to us and may not be sufficient to cover all of our potential losses.

There is no assurance that we will be able to execute on our business model.

Investors should be aware of the difficulties normally encountered by a new enterprise, many of which are beyond our control, including substantial risks and expenses in the course of establishing or entering new markets, developing and commercializing new products and technologies, organizing operations and undertaking marketing activities. The likelihood of our success must be considered in light of these risks, expenses, complications, delays and the competitive environment in which we operate. We will continue to encounter risks and difficulties frequently experienced by pre-commercial and early-commercial stage companies, including scaling up our infrastructure and headcount, and may encounter unforeseen expenses, difficulties or delays in connection with our growth. Any investment in our Company is therefore highly speculative and could result in the loss of your entire investment.

Expanding operations internationally will subject us to a variety of risks and uncertainties that could adversely affect our business and operating results.

As we expand our business, we intend to work with customers, suppliers and other partners around the world. Managing further international expansion will require additional resources and controls. Any expansion internationally could subject our business to risks associated with international operations, including:

- difficulties in staffing and managing foreign operations due to differences in culture, laws and customer expectations, and the increased travel, infrastructure, and legal and compliance costs associated with international operations;
- compliance with multiple, potentially conflicting and changing governmental laws, regulations, and permitting processes including environmental, banking, employment, tax, privacy, safety, security and data protection laws and regulations;
- compliance with U.S. and foreign anti-bribery laws including the Foreign Corrupt Practices Act and the U.K. Anti-Bribery Act;
- greater difficulties in securing or enforcing our intellectual property rights in certain jurisdictions, or in potential infringement of third-party intellectual property rights in new jurisdictions;
- difficulties in collecting payments in foreign currencies and associated foreign currency exposure;
- increases or decreases in our expenses caused by fluctuation in foreign currency exchange rates;
- restrictions on repatriation of foreign earnings;
- compliance with potentially conflicting and changing laws of taxing jurisdictions where we conduct business and compliance with applicable U.S. tax laws as they relate to international operations, including product transfer pricing, the complexity and adverse consequences of such tax laws, and potentially adverse tax consequences due to changes in such tax laws;
- changes in import and export controls and tariffs imposed by the United States or foreign governments;
- changes in regulations that would prevent us from doing business in specified countries; and
- regional economic and political conditions

We use novel technologies, and potential customers may be hesitant to make a significant investment in our technology or switch from the technology they are currently using.

We use novel technologies that are deployed in a novel way and will compete with currently existing technologies. Even if our products are superior to existing products, potential customers may choose products from our competitors that are based on existing technologies due to wider market acceptance and familiarity with such technologies. Moreover, given the limited history of our technology, potential customers may be hesitant to make a significant investment in our products. If our technology does not achieve market acceptance, then our business and results of operations would be materially adversely affected.

Our market is characterized by rapid technological changes demanding a significant investment in research and development, and, if we fail to address changing market conditions, our business and operating results will be harmed.

Our market is subject to rapid innovation and technological change. While we intend to invest substantial resources to remain on the forefront of technological development, continuing advances in technology, changes in customer requirements and preferences and the emergence of new standards, regulations and certifications could adversely affect adoption of our products either generally or for particular applications. Our ability to compete depends, in large part, on our success in developing and introducing our products in a timely fashion, in improving our existing products and technology and finding new applications for our technology. We believe that we must continuously enhance and expand the functionality and features of our products and technologies in order to remain competitive. However, we may not be able to develop cost-effective new products and technologies that address the increasingly complex needs of prospective customers.

There is no guarantee that our acquisitions of interests in Tekne, SYME or Orbit will close.

We have executed the Tekne Purchase Agreement, pursuant to which we intend to acquire a controlling interest in Tekne. The Tekne acquisition requires, among other things, approvals by the Italian government and approval of our stockholders prior to closing. There can be no assurance that the Tekne transaction will close in the expected timeframe or at all.

We have entered into a convertible note receivable with SYME to invest up to $5,150,000 in exchange for receiving a controlling interest in SYME. The acquisition of the ownership interest remains subject to receipt of approval from SYME stockholders and certain foreign regulatory approvals and there can be no assurance that the investment will close in the expected timeframe or at all.

On October 31, 2025, we entered into the Orbit Agreement to purchase all of the ownership interests in Orbit owned by Vanguard in a transaction scheduled to close by December 31, 2026. There is no guarantee that the acquisition of Orbit will close in the time frame expected or at all.

In connection with our planned acquisitions of interests in Tekne, SYME and Orbit, we have provided funding to them and may be unable to recoup those payments if the acquisitions do not close.

In connection with our planned acquisitions of interests in Tekne, SYME and Orbit, we have provided funding of approximately $37,400,000. To the extent that such acquisitions do not close as anticipated, such entities are required to repay all or part of the funds that we have contributed to them. If such acquisition targets are unable or unwilling to repay such advanced funds, this would have a material adverse effect on our business, financial condition, results of operations and cash flows.

We face a number of risks related to our strategic transactions.

Our Transformation Plan includes periodic acquisitions and divestitures of businesses and technologies. Strategic transactions of this nature involve numerous risks, including the following:

- Competition for suitable acquisition or investment targets;
- Inability to consummate deals on favorable or acceptable terms, or due to failure to obtain stockholder, government, regulatory or other necessary approvals or satisfy other closing conditions;
- Diversion of management’s attention from normal daily operations of the business;
- Potential difficulties in completing projects associated with in-process research and development;
- Difficulties in entering markets in which we have no or limited prior experience and where competitors have stronger market positions;
- In the case of foreign acquisitions and investments, the impact of particular economic, tax, currency, political, legal and regulatory risks associated with specific countries;
- Inability to successfully integrate the acquired technology, data assets and operations into our business and maintain uniform standards, controls, policies, and procedures;
- Inability to realize synergies or anticipated benefits within the expected time frame or at all;
- Unidentified issues not discovered in our due diligence process, including product or service quality issues, security policies, standards, and practices, intellectual property issues and legal contingencies;
- Inability of an acquisition to further our business strategy as expected or overpay for, or otherwise not realize the expected return on, our investments;
- Expected earn-outs may not be achieved in the time frame or at the level expected or at all;
- Lack of ability to recognize or capitalize on expected growth, synergies or cost savings;
- Insufficient net revenue to offset increased expenses associated with acquisitions;
- Potential loss of key employees of the acquired companies;
- Difficulty in forecasting revenues and margins;

- Inadequate internal control procedures and disclosure controls to comply with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or poor integration of a target company's or business' procedures and controls;
- To the extent we use debt to fund acquisitions or for other purposes, our interest expense and leverage will increase significantly, and to the extent we issue equity securities as consideration in an acquisition, current shareholders' percentage ownership and earnings per share will be diluted;
- Assumption of unknown liabilities; and
- Becoming subject to litigation related to the acquired businesses or assets.

An investment in our Common Stock carries a high degree of risk and stockholders may not be adequately compensated for the business and financial risks associated with an investment in our Common Stock.

A purchase of our Common Stock is subject to a high degree of risk. A purchase of our Common Stock is speculative and requires a long-term commitment, with no certainty of return. Returns generated from our investments may be insufficient to compensate stockholders adequately for the business and financial risks that must be assumed. There is no guarantee that our performance will meet any stockholder's targeted or projected return. The value of our investments in new businesses may fall, as well as rise, and stockholders may not get back the amount they have invested.

We may make acquisitions or form joint ventures that are unsuccessful.

Our ability to implement our Transformation Plan is partially dependent on our ability to successfully acquire interests in other companies, which creates substantial risk. In order to pursue a growth by acquisition strategy successfully, we must identify suitable candidates for these transactions; however, because of our limited funds, we may not be able to purchase those companies that we have identified as potential successful acquisition candidates. Additionally, we may have difficulty managing post-closing issues such as the integration into our corporate structure. Integration issues are complex, time consuming and expensive and, without proper planning and implementation, could significantly disrupt our business, including, but not limited to, the diversion of management's attention, the loss of key business and/or personnel from the acquired company, unanticipated events, and legal liabilities. As a result, the consummation of acquisitions or joint ventures may not be successful and, if an acquired business or investment does not perform as expected, it may have an adverse financial impact on the Company.

Related party investments include interests of members of our management that may differ from interests of other investors.

Our Executive Chairman and Co-Chief Executive Officers have identified and negotiated investments, option rights, and other control relationships with respect to certain companies and businesses, in certain cases with the goal of allowing us to ultimately acquire controlling interests in such entities at the right time and on appropriate terms. The initial investment, option, or control relationship creates a conflict of interest when the Company then invests in such entity or business, as such executives may receive benefits (directly or indirectly) not shared by all stockholders. Notwithstanding these conflicts of interest, we believe that having access to strategic transactions sourced by our executives is critical to our future success and anticipate similar transactions in the future. We have such related party transactions reviewed and approved by independent directors and the Audit Committee; however, such processes and procedures do not ensure that such investments will be successful or beneficial to stockholders.

We may be unable to satisfy our significant debt service obligations, which could have an adverse effect on our business, financial condition, results of operations and cash flows.

Under the Debenture that we issued to YA in the principal amount of $25,000,000 in December 2025, we are required to pay monthly installment payments of $2,777,778 of principal plus accrued and unpaid interest beginning in March 2026. We currently do not have, and may not be able to achieve, a level of cash flows from operating activities sufficient for us to pay the principal or interest on our indebtedness and there are limitations on our obtaining funds through using the Standby Equity Purchase Agreement entered into with YA. If we are unable to repay or otherwise refinance our indebtedness when due, if we fail to comply with covenants in the financing documents with YA, or if any other event of default under the financing documents with YA is not cured or waived, YA could elect to declare all amounts outstanding to be immediately due and payable. In the event YA accelerates the repayment of our borrowings, we may not have sufficient assets to repay that indebtedness. Any acceleration of amounts due to YA could have an adverse effect on our business, financial condition and results of operations and could have a material adverse effect on the trading price of our Common Stock.

The Debenture and other financing documents with YA contain restrictions on our actions that may limit our operational flexibility or otherwise adversely affect our results of operations.

The terms of the financing documents with YA include a number of covenants that limit our ability and our subsidiaries' ability to, among other things, incur additional indebtedness, grant liens, or enter into Variable Rate Transactions (as defined in the purchase agreement with YA). The terms of the financing documents may restrict our current and future operations and could adversely affect our ability to finance our future operations or capital needs. In addition, complying with these covenants may make it more difficult for us to successfully execute our Transformation Plan by limiting our business strategy and preventing potential acquisitions that would benefit our business.

Risks Relating to Litigation and Regulation

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business and results of operations.

We are subject to laws and regulations enacted by national, regional, and local governments. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time-consuming, and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments, and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business.

Litigation, regulatory actions, and compliance issues could subject us to significant fines, penalties, judgments, remediation costs, negative publicity, and requirements resulting in increased expenses.

We may from time to time be involved in legal proceedings, administrative proceedings, claims and other litigation, with governmental agencies and entities as well as private parties, which arise in the ordinary course of business. Litigation can be expensive, lengthy, and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. Responding to lawsuits brought against us, or legal actions that we may initiate, can be expensive and time-consuming. Unfavorable outcomes or developments relating to proceedings to which we are a party or transactions involving our products, such as judgments for monetary damages, injunctions, or denial or revocation of permits, could have a material adverse effect on our business, financial condition, and results of operations. To the extent such proceedings also generate negative publicity, our reputation and business could also be adversely affected. In addition, handling compliance issues and the settlement of claims could adversely affect our financial condition and results of operations.

Laws, regulations, and rules relating to privacy, information security, and data protection could increase our costs and adversely affect our business opportunities. In addition, the ongoing costs of complying with such laws, regulations, and rules could be significant.

We are subject to various laws regarding privacy, information security and data protection. In particular, our handling of data relating to individuals is subject to a variety of laws and regulations relating to privacy, data protection, and information security, and it may become subject to additional obligations, including contractual obligations, relating to our maintenance and other processing of this data. For example, the European Union's General Data Protection Regulation, or GDPR, and similar legislation adopted in the U.K., impose stringent data protection requirements and provide for significant penalties for noncompliance. In the United States, California has enacted legislation, the California Consumer Privacy Act, or CCPA, that, among other things, requires covered companies to provide disclosures to California consumers, and afford such consumers abilities to opt-out of certain sales of personal information.

Additionally, we may be bound by contractual requirements applicable to our collection, use, processing, and disclosure of various types of data, and may be bound by, or voluntarily comply with, self-regulatory or other industry standards relating to these matters. These laws, regulations, and other obligations, and changes in their interpretation, could require us to modify our operations and practices, restrict our activities, and increase our costs in the future, and it is possible that these laws, regulations, and other obligations may be inconsistent with one another or be interpreted or asserted to be inconsistent with our business or practices. Any actual or perceived inability to adequately address privacy and security concerns or to comply with applicable laws, rules, regulations, and other actual or asserted obligations relating to privacy, data protection, and information security could result in claims, demands, and litigation by private parties, investigations and other proceedings by regulatory authorities, fines, penalties, and other liabilities, and have an adverse effect on our business, prospects, results of operations, financial position, and reputation.

We must comply with and could be impacted by various export controls and trade and economic sanctions laws and regulations that could negatively affect our business and may change due to diplomatic and political considerations outside of our control.

We expect to do business throughout the world. Doing business on a global basis requires us to comply with anti-corruption laws and regulations imposed by governments around the world with jurisdiction over our operations, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act 2010, as well as the laws of the countries where we do business. We are also subject to various trade restrictions, including trade and economic sanctions and export controls, imposed by governments around the world with jurisdiction over our operations. For example, in accordance with trade sanctions administered by the Office of Foreign Assets Control and the U.S. Department of Commerce, we are subject to limitations on or are prohibited from engaging in transactions involving certain persons and certain designated countries or territories, including Belarus, Cuba, Iran, Syria, North Korea, Russia, and certain occupied territories in Ukraine. In addition, our products are subject to export regulations that can involve significant compliance time and may add additional overhead cost to our products. In recent years the U.S. government has had a renewed focus on export matters. For example, the Export Control Reform Act of 2018 and regulatory guidance have imposed additional controls, and may result in the imposition of further additional controls, on the export of certain "emerging and foundational technologies." Violations of the International Traffic in Arms Regulations ("ITAR") or other applicable trade compliance regulations could result in significant sanctions including fines, more onerous compliance requirements and debarments from export privileges or loss of authorizations needed to conduct our international business. A violation of ITAR or other applicable trade regulations could have a material adverse effect on our business, financial condition and results of operations.

We could be liable for environmental damages resulting from our operations, which could impact our reputation, our business, and our operating results.

We are subject to federal, state, local and foreign environmental laws and regulations depending on where our operations are located and where we ship our products. Environmental laws and regulations can be complex and may often change. These laws can give rise to liability for administrative oversight costs, cleanup costs, property damage, bodily injury, fines, and penalties. Capital and operating expenses needed to comply with environmental laws and regulations can be significant, and violations may result in substantial fines and penalties or third-party damages. In addition, environmental laws and regulations such as the Comprehensive Environmental Response, Compensation and Liability Act in the United States impose liability on several grounds including for the investigation and cleanup of contaminated soil and ground water, for building contamination, for impacts to human health and for damages to natural resources. If contamination is discovered in the future at properties formerly owned or operated by us or currently owned or operated by us, or properties to which hazardous substances were sent by us, it could result in our liability under environmental laws and regulations. Many of our current and future customers have high sustainability standards, and any environmental noncompliance by us could harm our reputation and impact a customer's buying decision. The costs of complying with environmental laws, regulations, and customer requirements, and any claims concerning noncompliance or liability with respect to contamination in the future, could have a material adverse effect on our financial condition or our operating results.

Risk Relating to Intellectual Property

We may be unable to protect, defend, maintain, or enforce our intellectual property rights for the intellectual property on which our business depends, including against existing or future competitors. Failure to protect defend, maintain and enforce that intellectual property could result in our competitors offering similar products, potentially adversely affecting our growth and success.

Our commercial success will depend in part on our success in obtaining and maintaining trademarks and other intellectual property rights in the United States and elsewhere and protecting our proprietary technology. If we do not adequately protect our intellectual property and proprietary technology, competitors may be able to use our technologies we have acquired in the marketplace and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability.

Our intellectual property is critical to our business and although we have taken many measures to protect our trade secrets, including agreements, limited access, segregation of knowledge, password protections, and other measures, policing unauthorized use of proprietary technology can be difficult and expensive. Also, litigation may be necessary to enforce our intellectual property rights, protect our trade secrets, or determine the validity and scope of the proprietary rights of others. Such litigation may result in our intellectual property rights being challenged, limited in scope, or declared invalid or unenforceable. We cannot be certain that the outcome of any litigation will be in our favor, and an adverse determination in any such litigation could impair our intellectual property rights and may harm our business, prospects and reputation.

We have already and expect to continue to incur substantial expense and costs in protecting, enforcing and defending our intellectual property rights against third parties. Future litigation relating to protecting our rights could be time consuming and expensive. We rely primarily on copyright, patent, trade secret, and trademark laws, and non-disclosure, confidentiality, and other types of contractual restrictions to establish, maintain, and enforce our intellectual property and proprietary rights. However, our rights under these laws and agreements afford us only limited protection and the actions we take to establish, maintain, and enforce our intellectual property rights may not be adequate. For example, our trade secrets and other confidential information could be disclosed in an unauthorized manner to third parties, our owned or licensed intellectual property rights could be challenged, invalidated, circumvented, infringed, or misappropriated or our intellectual property rights may not be sufficient to provide us with a competitive advantage, any of which could have a material adverse effect on our business, financial condition, or operating results. In addition, the laws of some countries do not protect proprietary rights as fully as do the laws of the United States or may even formally or tacitly encourage the piracy of foreign intellectual property. As a result, we may not be able to protect our proprietary rights adequately abroad.

We rely, in part, on our ability to obtain, maintain, expand, enforce, and defend the scope of our intellectual property portfolio or other proprietary rights, including the amount and timing of any payments we may be required to make in connection with the licensing, filing, defense, and enforcement of intellectual property rights. The process of applying for and obtaining a patent is expensive, time-consuming, and complex, and we may not be able to file, prosecute, maintain, enforce, or license all necessary or desirable patent applications at a reasonable cost, in a timely manner, or in all jurisdictions where protection may be commercially advantageous, or we may not be able to protect our proprietary rights at all. We may not be successful in protecting our proprietary rights, and unauthorized parties may be able to obtain and use information that we regard as proprietary.

Though an issued patent is presumed valid and enforceable, its issuance is not conclusive as to its validity or its enforceability and future patents may not provide us with adequate proprietary protection or competitive advantages against competitors with similar products. Patents, if issued, may be challenged, deemed unenforceable, invalidated, or circumvented. Proceedings challenging patents could result in either loss of the patent, or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such proceedings may be costly. Thus, any patents that we may own may not provide any protection against competitors. Furthermore, an adverse decision may result in a third party receiving a patent right sought by us, which in turn could affect our ability to commercialize our products.

Competitors could purchase our products and attempt to replicate or reverse engineer some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our patents, or develop and obtain patent protection for more effective technologies, designs or methods. We may be unable to prevent the unauthorized disclosure or use of our technical knowledge or trade secrets by consultants, suppliers, vendors, former employees and current employees.

Further, the laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the United States.

In addition, proceedings to enforce or defend our patents could put our patents at risk of being invalidated, held unenforceable or interpreted narrowly. Such proceedings could also provoke third parties to assert claims against us, including that some or all of the claims in one or more of our patents are invalid or otherwise unenforceable. If any of our patents covering our products are invalidated or found unenforceable, or if a court found that valid, enforceable patents held by third parties covered one or more of our products, our competitive position could be harmed or we could be required to incur significant expenses to enforce or defend our rights. The degree of future protection for our proprietary rights is uncertain.

Our former secured lenders obtained our existing patent portfolio in connection with the Foreclosure sale. While we retain our trademarks, trade secrets, know-how, and other intellectual property rights, we may have to initiate legal action in order to clearly establish ownership rights with respect to such intellectual property. Further, the former secured lenders may sue us for infringement if they believe our continued participation in the laser industry is in violation of the patents they acquired through the Foreclosure.

We may be subject to third-party claims of infringement, misappropriation or other violations of intellectual property rights, or other claims challenging our agreements related to intellectual property, which may be time consuming and costly to defend, and could result in substantial liability.

Companies, organizations, or individuals, including our competitors and former secured lenders, may hold or obtain patents, trademarks, or other proprietary rights that they may in the future allege are infringed by our products or services. These companies holding patents or other intellectual property rights allegedly relating to our technologies could, in the future, make claims or bring suits alleging infringement, misappropriation, or other violations of such rights, or otherwise assert their rights and by seeking royalties, lost profits, treble damages, attorney fees and injunctions. If a claim is successfully brought in the future and we or our products are determined to have infringed, misappropriated, or otherwise violated a third party's intellectual property rights, we may be required to do one or more of the following:

- cease selling or using our products that incorporate the challenged intellectual property;
- pay substantial damages, including lost profits of the holder of the intellectual property rights (as well as, increased damages up to treble damages and attorneys' fees if our infringement is determined to be willful);
- obtain a license from the holder of the intellectual property right, which may not be available on reasonable terms or at all; or
- redesign our products or means of production, which may not be possible or cost-effective.

Any of the foregoing could adversely affect our business, prospects, operating results, and financial condition. In addition, any litigation, whether to protect our intellectual property to defend against the claims of others, whether or not valid, could harm our reputation, result in substantial costs and can be disruptive to our business operations by diverting attention and energies of management and key technical personnel and by increasing our costs of doing business.

We may also license technology from third parties and incorporate components supplied by third parties into our products, which could result in our having to incur significant costs. If we are unable to enter into the necessary licenses on acceptable terms or at all, if any necessary licenses are subsequently terminated, if the licensors fail to abide by the terms of the licenses or fail to prevent infringement by third parties, or if the licensed patents or other rights are found to be invalid or unenforceable, our business may suffer. We may in the future face claims that our use of such technology or components infringes or otherwise violates the rights of others, which would subject us to the risks described above. We may in some cases seek indemnification from our licensors or suppliers under our contracts with them, but our rights to indemnification or our suppliers' resources may be unavailable or insufficient to cover our costs and losses.

In addition, we generally indemnify our customers with respect to infringement by our products of the proprietary rights of third parties. However, third parties may assert infringement claims against our customers. These claims may require us to initiate or defend protracted and costly litigation on behalf of our customers, regardless of the merits of these claims. If any of these claims succeed or settle, we may be forced to pay damages or settlement payments on behalf of our customers or may be required to obtain licenses for the products they use. If we cannot obtain all necessary licenses on commercially reasonable terms, our customers may be forced to stop using our products.

We may not be able to protect our intellectual property rights throughout the world.

A company may attempt to commercialize competing products utilizing our proprietary design, trademarks or trade names in foreign countries where we do not have any patents or patent applications and where legal recourse may be limited. This may have a significant commercial impact on our foreign business operations.

Filing, prosecuting and defending patents or trademarks on our current and future products in all countries throughout the world would be prohibitively expensive. The requirements for patentability and trademarking may differ in certain countries, particularly developing countries. The laws of some foreign countries do not protect intellectual property rights to the same extent as laws in the United States.

Consequently, we may not be able to prevent third parties from utilizing our inventions and trademarks in all countries outside the United States. Competitors may use our technologies or trademarks in jurisdictions where we have not obtained patent or trademark protection to develop or market their own products and further, may export otherwise infringing products to territories where we have patent and trademark protection, but enforcement on infringing activities is inadequate. These products or trademarks may compete with our products or trademarks, and our patents, trademarks or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trademarks and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents and trademarks or marketing of competing products in violation of our proprietary rights generally. Proceedings to enforce our patent and trademarks rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents and trademarks in those jurisdictions, as well as elsewhere at risk of being invalidated or interpreted narrowly and our patent or trademark applications at risk, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Certain countries in Europe and certain developing countries, including India and China, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In those countries, we may have limited remedies if our patents are infringed or if we are compelled to grant a license to our patents to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license. Finally, our ability to protect and enforce our intellectual property rights may be adversely affected by unforeseen changes in foreign intellectual property laws.

We may be subject to claims that we or our employees have misappropriated the intellectual property of a third party, including trade secrets or know-how, or are in breach of non-competition or non-solicitation agreements with our competitors.

Many of our current and former employees and consultants were previously employed at or engaged by other technology-based companies, including our competitors or potential competitors. Some of these employees, consultants and contractors, may have executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Our efforts to ensure that our employees and consultants do not use the intellectual property, proprietary information, know how or trade secrets of others in their work for us may not be successful, and we may be subject to claims that we or these individuals have, inadvertently or otherwise, misappropriated the intellectual property or disclosed the alleged trade secrets or other proprietary information, of these former employers or competitors.

Additionally, we may be subject to claims from third parties challenging our ownership interest in intellectual property we regard as our own, based on claims that our employees or consultants have breached an obligation to assign inventions to another employer, to a former employer, or to another person or entity. Litigation may be necessary to defend against any other claims, and it may be necessary or we may desire to enter into a license to settle any such claim; however, there can be no assurance that we would be able to obtain a license on commercially reasonable terms, if at all. If our defense to those claims fails, in addition to paying monetary damages, a court could prohibit us from using technologies or features that are essential to our products, if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. An inability to incorporate technologies or features that are important or essential to our products could have a material adverse effect on our business, financial condition and results of operations, and may prevent us from selling our products. In addition, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against these claims, litigation could result in substantial costs and could be a distraction to management. Any litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent sales representatives. A loss of key personnel or their work product could hamper or prevent our ability to commercialize our products, which could have an adverse effect on our business, financial condition and results of operations.

If we are unable to protect the confidentiality of our other proprietary information, our business and competitive position may be harmed.

We rely on protection of trade secrets, know-how and other proprietary information that is not patentable or that we elect not to patent. However, trade secrets can be difficult to protect and some courts are less willing or unwilling to protect trade secrets. To maintain the confidentiality of our trade secrets and proprietary information, we rely heavily on confidentiality provisions that we have in contracts with our employees, consultants, collaborators and others upon the commencement of their relationship with us. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes. We may not be able to prevent the unauthorized disclosure or use of our technical knowledge or other trade secrets by such third parties, despite the existence generally of these confidentiality restrictions. These contracts may not provide meaningful protection for our trade secrets, know-how, or other proprietary information in the event the unwanted use is outside the scope of the provisions of the contracts or in the event of any unauthorized use, misappropriation, or disclosure of such trade secrets, know-how, or other proprietary information. There can be no assurance that such third parties will not breach their agreements with us, that we will have adequate remedies for any breach, or that our trade secrets will not otherwise become known or independently developed by competitors. The protections we place on our intellectual property or other proprietary rights may not be sufficient. Monitoring unauthorized use and disclosure of our intellectual property is difficult, and we do not know whether the steps we have taken to protect our intellectual property or other proprietary rights will be adequate. In addition, the laws of many foreign countries will not protect our intellectual property or other proprietary rights to the same extent as the laws of the United States. Consequently, we may be unable to prevent our proprietary technology from being exploited abroad, which could affect our ability to expand to international markets or require costly efforts to protect our technology. To the extent our intellectual property or other proprietary information protection is incomplete, we are exposed to a greater risk of direct competition. A third party could, without authorization, copy or otherwise obtain and use our products or technology, or develop similar technology. Our competitors could purchase our products and attempt to replicate some or all of the competitive advantages we derive from our development efforts or design around our protected technology. Our failure to secure, protect and enforce our intellectual property rights could substantially harm the value of our products, brand and business. The theft or unauthorized use or publication of our trade secrets and other confidential business information could reduce the differentiation of our products and harm our business, the value of our investment in development or business acquisitions could be reduced and third parties might make claims against us related to losses of their confidential or proprietary information. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Further, it is possible that others will independently develop the same or similar technology or products or otherwise obtain access to our unpatented technology, and in such cases we could not assert any trade secret rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our trade secret rights and related confidentiality and nondisclosure provisions. If we fail to obtain or maintain trade secret protection, or if our competitors obtain our trade secrets or independently develop technology or products similar to ours or competing technologies or products, our competitive market position could be materially and adversely affected.

Other Risks

Cyber-attacks and other disruptions, security breaches, and incidents could have an adverse effect on our business, harm our reputation, and expose us to liability.

Computer malware, viruses, physical or electronic break-ins, and similar disruptions and security breaches or incidents could lead to interruption and delays in our services and operations and loss, misuse or theft of data, financial information, and Company funds. Computer malware, viruses, ransomware and other malicious code, and hacking and phishing attacks have become more prevalent and may occur on our systems in the future. Threats to and vulnerabilities in our systems and infrastructure and those of our third-party service providers may result from human error, fraud, or malice on the part of our employees or third-party service providers or by malicious third parties, including state-sponsored organizations with significant financial and technological resources, or from accidental technological failure. Attempts by cyber attackers or others to disrupt our services or systems or those of our third-party service providers, as well as employee or service provider error or malfeasance, technical failures, or other causes of security breaches and incidents could harm our business, result in a loss of intellectual property, result in claims, demands, and litigation by private parties, investigations and other proceedings by regulatory authorities, fines, penalties, and other liabilities, introduce liability to data subjects, result in the misappropriation of funds, be expensive to remedy and damage our reputation or brand.

In October 2025, we were the victim of email fraud due to our receiving an invoice from a criminal actor posing as our financial advisor and our paying the invoice amount to the criminal actor's bank account based on the falsified wiring instructions. As a result, we incurred a loss of $1,005,352. We pursued recovery of this amount with the banks involved in the wire transfer, but at this time we do not expect that we will be able to recover such funds. We are working to enhance our controls relating to electronic payments by or for us that we believe will reduce our risk of becoming a victim of future frauds related to our payments, including by wire transfers. However, cyber-related criminal activities continue to evolve and increase in sophistication, frequency and severity. As a result, any control enhancements that may be made to our controls may not be successful in avoiding our becoming a victim to further cyber-related crimes.

Efforts to prevent cyber attackers from entering and disrupting computer systems are expensive to implement, and we may not be able to cause the implementation or enforcement of such preventions with respect to our third-party service providers. Despite the security measures that we and our service providers utilize, our infrastructure and that of our service providers may be vulnerable to physical break-ins, ransomware, computer viruses, other malicious code attacks by hackers, phishing attacks, social engineering, or similar disruptive problems. Though it is difficult to determine what, if any, harm may directly result from any specific interruption, attack or other security breach or incident, any failure to maintain performance, reliability, security and availability of systems and technical infrastructure may, in addition to other losses and liabilities, harm our reputation, brand and ability to attract customers.

Costs, expenses, and other liabilities relating to any actual or perceived disruption or security breach or incident may not be covered adequately by insurance, and may result in an increase in our costs for insurance or insurance not being available to us on economically feasible terms, or at all. Insurers may also deny us coverage as to any future claim. Any of these results could harm our financial condition, business and reputation.

Natural disasters, unusual weather conditions, epidemic outbreaks, terrorist acts, and political events could disrupt our business. Interruption or failure of our infrastructure could hurt our ability to effectively perform our daily operations and provide and produce our products and services, which could damage our reputation and harm our operating results.

We are vulnerable to natural disasters and significant disruptions including floods, earthquakes, fires, hail storms, snow storms, water shortages, other extreme or unusual weather conditions, epidemics or pandemics, acts of terrorism, war or disruptive political events where our facility is located, or where our third-party suppliers' facilities are located, power shortages, and blackouts and aging infrastructures. Furthermore, climate change appears to have increased, and may continue to increase, the rate, size, and scope of these natural disasters. In the event of such a natural disaster or other disruption, we could experience disruptions to our operations or the operations of suppliers, subcontractors, distributors or customers, which could affect our ability to fulfill our customer contracts or damage our reputation, which would have a material adverse effect on our business, financial condition, and results of operations.

Risks Relating to Being a Public Company

We have received a Notice of Noncompliance from the NYSE American and the NYSE American may delist our securities from trading on its exchange, which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.

Our Common Stock is publicly traded on the NYSE American under the symbol "BURU." In order to continue listing our securities on the NYSE American, we are required to maintain certain financial, distribution and stock price levels. On April 29, 2025, we received a Notice of Noncompliance from NYSE Regulation indicating that we were not in compliance with Section 1003(a)(i) of the NYSE American LLC Company Guide (the "Company Guide"), which requires a company to maintain stockholders' equity of $2,000,000 or more if it has reported losses from continuing operations or net losses in two of its three most recent fiscal years.

As required by the Company Guide, on May 29, 2025, we submitted a detailed plan to NYSE Regulation advising of actions we have taken or will take to regain compliance with the continued listing standards (the "Compliance Plan") by the compliance deadline of October 29, 2026, which includes the implementation of our previously announced Transformation Plan. On July 22, 2025, the NYSE American notified us that it had accepted our Compliance Plan and granted a plan period through October 29, 2026 (the "Plan Period"). NYSE American will review us periodically for compliance with the Compliance Plan. If we are not in compliance with the continued listing standards by October 29, 2026, or if we do not make progress consistent with the Compliance Plan during the Plan Period, NYSE American may initiate delisting proceedings as appropriate. However, we may appeal a staff delisting determination in accordance with the Company Guide.

NYSE American's acceptance of the Compliance Plan has no immediate effect on the listing or trading of our securities and our Common Stock will continue to trade on the NYSE American under the symbol "BURU" during the Plan Period with the designation of ".BC" to indicate that we are not in compliance with the NYSE American's continued listing standards.

In addition, under Section 1003(f)(v) of the Company Guide, if a company's common stock sells at an abnormally low price for a substantial period of time, its common stock could be delisted. NYSE American views stock trading at below $0.20 as being in the range of abnormal and will halt trading and may move to delist common stock that trades below $0.10, or may otherwise require a company to immediately implement a reverse stock split, if it has authority to do so. Trading of our Common Stock was halted by NYSE American on February 13, 2026, because the trading price dropped below NYSE American's minimum trading price of $0.10. We implemented a 1-for-4.99 reverse stock split on February 27, 2026, in order to return to compliance with the minimum trading price requirement. Our Common Stock resumed trading on the NYSE American on March 2, 2026. We cannot provide assurance that any increase in trading of our Common Stock above $0.10 will be sustained.

If the NYSE American delists our Common Stock from trading on its exchange and we are not able to list our securities on another national securities exchange, we expect our securities could be quoted on an over-the-counter market. If this were to occur, we could face significant material adverse consequences, including: a limited availability of market quotations for our securities; reduced liquidity for our securities; brokers declining to transact in our stock; limited amount of news and analyst coverage; and a decreased ability to issue additional securities or obtain additional financing in the future.

We have had to restate previously issued consolidated financial statements and, as part of that process, we identified material weaknesses in our internal control over financial reporting. If we are unable to develop and maintain effective internal control over financial reporting, we may not be able to accurately report our financial results in a timely manner, which may adversely affect investor confidence in us and may adversely affect our business, financial condition and results of operations.

We have had to restate to correct certain misstatements in our consolidated financial statements and have identified and disclosed material weaknesses in our internal controls over reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. Effective internal control over financial reporting is necessary for us to provide reliable financial reporting and prevent fraud.

In our Form 10-Q for the quarter ended September 30, 2025, our management concluded that our internal control over financial reporting was not effective due to a material weakness in our control environment around the accounting and presentation of complex financial instrument transactions that was not effectively designed or maintained. Additionally, subsequent to the end of the third quarter of 2025, management identified a material weakness related to wire-transfer authorization that resulted in a fraudulent disbursement.

To remediate such weaknesses, we intend to (i) hire additional qualified personnel to address inadequate segregation of duties and ineffective risk management; and (ii) adopt sufficient written policies and procedures for accounting and financial reporting. These remediation measures may be time-consuming and costly, and there is no assurance that these initiatives will ultimately have the intended effects. Any failure to maintain effective internal control over financial reporting could adversely impact our ability to report our financial position and results from operations on a timely and accurate basis. If our consolidated financial statements are not accurate or are not filed on a timely basis, we could be subject to regulatory scrutiny, investigations or enforcement actions, which could have an adverse effect on our business, financial condition and results of operations. Ineffective internal control over financial reporting could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock.

We can provide no assurance that the measures that we plan to take in the future will remediate the material weaknesses identified or that any additional material weaknesses or restatements of financial results will not arise in the future due to a failure to implement and maintain adequate internal control over financial reporting or a circumvention of these controls. In addition, even if we are successful in strengthening our controls and procedures, in the future those controls and procedures may not be adequate to prevent or identify irregularities or errors or to facilitate the fair presentation of our consolidated financial statements.

Our management has limited experience in operating a public company.

Our executive officers have limited experience in the management of a publicly traded company. Our management team may not be successful or effective in managing a public company that is subject to significant regulatory oversight and reporting obligations under federal securities laws. We may not have adequate personnel with the appropriate level of knowledge, experience, and training in the accounting policies, practices, or internal controls over financial reporting required of public companies in the United States. The development and implementation of the standards and controls necessary for us to achieve the level of accounting standards required of a public company in the United States may require costs greater than expected. It is possible that we will be required to expand our employee base and hire additional employees to support our operations as a public company, which will increase our operating costs in future periods.

Our quarterly results and key metrics are likely to fluctuate significantly and may not fully reflect the underlying performance of our business.

Our quarterly results of operations and key metrics may vary significantly in the future, and period-to-period comparisons of our results of operations and key metrics may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly results of operations and key metrics may fluctuate as a result of a variety of factors, many of which are outside of our control, and as a result, may not fully reflect the underlying performance of our business. Fluctuation in quarterly results may negatively impact the value of our securities. Factors that may cause fluctuations in our quarterly results of operations and key metrics include, without limitation, those listed elsewhere herein and:

- our ability to generate revenue;
- our ability to raise capital;
- our ability to maintain our listing on NYSE American or any other exchange;
- our ability to repay our outstanding debt and other obligations;
- our ability to expand our number of customers and sales;
- our ability to hire and retain employees;
- the timing of expenses and recognition of revenue;
- the amount and timing of operating expenses related to the maintenance and expansion of our business and operations, as well as international expansion;
- changes in our pricing or the pricing of our competitors;
- changes in the competitive dynamics of our industry, including consolidation among competitors;
- changes in laws and regulations that impact our business;
- the timing of expenses related to any future acquisitions, including our ability to successfully integrate, and fully realize the expected benefits of, any completed acquisitions;
- health epidemics or pandemics;
- civil unrest and geopolitical instability (including war in the Middle East); and
- general political, economic, and market conditions.

The redemption of our Preferred Stock may require a significant amount of cash and may result in adverse tax consequences.

Pursuant to the Certificate of Designations, on January 31, 2025, which was the two-year anniversary of the issuance of our Preferred Stock, because the conversion price exceeded the VWAP of Common Stock, we became obligated to redeem all outstanding shares of Preferred Stock for $10.00 in cash per share, subject to our having legally available funds to pay such amount. In connection with any such redemption, we may also be required, pursuant to the Inflation Reduction Act of 2022, to pay an excise tax of 1% on the fair market value of any Preferred Stock redeemed. The redemption of the Preferred Stock and the payment of any excise tax would adversely affect our business, financial position and results of operations. While certain holders of Preferred Stock have issued a demand for redemption, we do not believe that we currently have funds legally available to pay the redemption amount as determined under Delaware law.

Our stock price may change significantly and you could lose all or part of your investment as a result.

The trading price of the Common Stock is likely to be volatile. The stock market recently has experienced extreme volatility.

These broad market and industry fluctuations may adversely affect the market price of Common Stock, regardless of our actual operating performance. In addition, price volatility may be greater if the public float and trading volume of Common Stock is low.

In the past, following periods of market volatility, stockholders have instituted securities class action litigation. If we are involved in securities litigation, it could have a substantial cost and divert resources and the attention of executive management from our business regardless of the outcome of such litigation.

If securities analysts do not publish research or reports about our business or if they downgrade our stock or our industry, our stock price and trading volume could decline.

The trading market for Common Stock will rely in part on the research and reports that industry or financial analysts publish about us or our business. We will not control these analysts. In addition, some financial analysts may have limited expertise with our model and operations. Furthermore, if one or more of the analysts who do cover us downgrade our stock or industry, or the stock of any of our competitors, or publish inaccurate or unfavorable research about our business, the price of our stock could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline.

Future sales of substantial amounts of our Common Stock in the public markets, or the perception that such sales could occur, could cause the market price of our Common Stock to drop significantly, even if our business is doing well, and certain selling securityholders still may receive significant proceeds.

The sale of shares of our Common Stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of our Common Stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that it deems appropriate.

As disclosed in this report and prior filings with the SEC, we have issued a significant number of shares of Common Stock and warrants and convertible notes that may be converted into shares of Common Stock.

On February 17, 2026, we consummated a best efforts public offering of 11,699,227 shares of Common Stock, pre-funded warrants to purchase up to 10,162,680 shares of Common Stock, warrants to purchase up to 32,792,859 shares of Common Stock and placement agent warrants to purchase up to 437,239 shares of Common Stock. On September 16, 2025, we completed a best efforts public offering of 6,487,683 shares of Common Stock, pre-funded warrants to purchase up to 10,352,721 shares of Common Stock, warrants to purchase up to 25,260,605 shares of Common Stock and placement agent warrants to purchase up to 673,617 shares of Common Stock.

On May 30, 2025, we entered into a Standby Equity Purchase Agreement ("SEPA") with YA, pursuant to which YA has committed to purchase up to $100,000,000 of shares of our Common Stock, subject to certain limitations and conditions set forth in the SEPA. The shares of our Common Stock that may be issued under the SEPA may be sold by us to YA at our discretion from time to time for a period of up to 36 months, unless the SEPA is earlier terminated. On June 9, 2025, we filed a Registration Statement on Form S-1 to register for resale from time to time up to 4,008,017 shares of Common Stock that may be purchased by YA under the SEPA. On August 29, 2025, we filed a Registration Statement on Form S-1 to register for resale from time to time up to 6,012,025 shares of Common Stock that may be purchased by YA under the SEPA. On December 12, 2025, we filed a registration statement on Form S-1 with the SEC to register the resale of up to 26,052,105 shares of Common Stock that may be purchased by YA under the SEPA. If it becomes necessary for us to issue and sell to YA more shares of Common Stock than we have registered in order to receive aggregate gross proceeds of $100 million under the SEPA, we may need to file additional registration statements with the SEC to register such additional shares of our Common Stock for resale.

On June 16, 2025, we filed a Registration Statement on Form S-1 to register for resale from time to time up to 8,156,395 shares of Common Stock that may be sold by the selling stockholders listed in the prospectus included therein, which includes shares of Common Stock that are issuable or have been issued upon conversion of promissory notes. On August 29, 2025, we filed a Registration Statement on Form S-1 to register for resale from time to time up to 5,198,028 shares of Common Stock that may be sold by the selling stockholders listed in the prospectus included therein, which are issuable upon conversion of promissory notes.

On December 23, 2025, we filed a Registration Statement on Form S-1 to register for resale from time to time up to 46,092,185 shares of Common Stock that may be sold by YA upon exercise of warrants issued to YA on December 17, 2025.

By mid-April 2026, we are required to file a registration statement to register for resale from time to time up to 19,841,664 shares of Common Stock that may be sold by Brick Lane upon conversion of the promissory note issued to Brick Lane on February 6, 2026 in connection with the H&K investment.

We issued 11,176,651 shares of Common Stock to Indigo Capital LP ("Indigo") upon exercise of a pre-funded warrant issued to Indigo on February 6, 2026, in exchange for the extinguishment and cancellation of 844,938 shares of our Series A Preferred Stock held by Indigo.

Certain of these securities were or may be purchased at prices that are significantly below the current trading price of our Common Stock and the resale of such shares could result in the selling securityholder realizing a significant gain. Resales of our Common Stock or other securities under such circumstances may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales could also cause the market price of our Common Stock to decline if such equity holders sell or are perceived by the market as intending to sell any such securities, and make it more difficult for you to sell your shares of Common Stock at a time and price that you deem appropriate.

In addition, we have reserved a total of up to 15,300 and 151,000 shares of our Common Stock for future issuance under the Nuburu, Inc. 2022 Equity Incentive Plan (the "Equity Incentive Plan") and the Nuburu, Inc. 2022 Employee Stock Purchase Plan (the "ESPP"), respectively, which will become eligible for sale in the public market once those shares are issued, subject to provisions relating to various vesting agreements, lock-up agreements and, in some cases, limitations on volume and manner of sale applicable to affiliates under Rule 144, as applicable.

As described above, we have issued some of our securities in connection with investments or acquisitions. The amount of shares of Common Stock issued in connection with an investment or acquisition has and could in the future constitute a material portion of our then-outstanding shares of Common Stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to our stockholders.

Anti-takeover provisions in our Governing Documents could delay or prevent a change of control.

Certain provisions of our Governing Documents may have an anti-takeover effect and may delay, defer or prevent a merger, acquisition, tender offer, takeover attempt or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares held by our stockholders. The provisions include, among others, those summarized in the "Description of Registrant's Securities" filed as Exhibit 4.6 to this Annual Report on Form 10-K.

Our outstanding convertible notes, preferred stock, and warrants contain anti-dilution protection, which may cause significant dilution to our stockholders.

The issuance of shares of Common Stock upon the conversion of convertible notes, preferred stock, and warrants would dilute the percentage ownership interest of holders of our Common Stock, dilute the book value per share of our Common Stock and increase the number of our publicly traded shares, which could depress the market price of our Common Stock.

In addition, certain of these securities generally contain weighted average anti-dilution provisions which, subject to limited exceptions, would increase the number of shares issuable upon conversion of such securities (by reducing the conversion or exercise price) in the event that we in the future issue Common Stock, or securities convertible into or exercisable to purchase Common Stock, at a price per share lower than the conversion price then in effect.

Our Common Stock is subordinated to our Preferred Stock.

In connection with the closing of the Business Combination on January 31, 2023, we declared an issuance of shares of Preferred Stock to certain holders of record of Common Stock as of the close of business on the closing date. Such Preferred Stock is convertible into shares of Common Stock at any time at the holder's option, and in certain circumstances at our option, subject to the conversion procedures and at the conversion price described in the Certificate of Designations. As described in the Certificate of Designations, shares of Preferred Stock rank senior to shares of Common Stock, with respect to rights on the distribution of assets in any voluntary or involuntary liquidation, dissolutions or winding up of the affairs of the Company.

Because there are no current plans to pay cash dividends on our Common Stock or Preferred Stock for the foreseeable future, you may not receive any return on investment unless you sell your shares for a price greater than that which you originally paid.

We intend to retain future earnings, if any, for future operations, expansion and debt repayment (if any) and there are no current plans to pay any cash dividends for the foreseeable future. The declaration, amount, and payment of any future dividends on shares of our Common Stock or our Preferred Stock will be at the sole discretion of our board of directors. Our board of directors may take into account general and economic conditions, our financial condition, and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax, and regulatory restrictions, implications on the payment of dividends by us to our stockholders and us, and such other factors as our board of directors may deem relevant. In addition, our ability to pay dividends may be limited by covenants of any current or future indebtedness we may incur. As a result, you may not receive any return on an investment in our Common Stock unless you sell shares for a price greater than that which you originally paid.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

We have developed and implemented a cybersecurity risk management program intended to protect the confidentiality, integrity, and availability of our critical systems and information. Our cybersecurity risk management program is aligned with our business strategy. It shares common methodologies, reporting channels, and governance processes that apply to other areas of enterprise risk, including legal, compliance, strategic, operational, and financial risk. Key elements of our cybersecurity risk management program include:

- risk assessments designed to help identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise information technology environment;
- the use of external service providers, where appropriate, to assess, test, or otherwise assist with aspects of our security controls;

- training and awareness programs for team members that include periodic and ongoing assessments to drive adoption and awareness of cybersecurity processes and controls;
- a cybersecurity incident response plan that includes procedures for responding to cybersecurity incidents; and
- a third-party risk management process for service providers, suppliers, and vendors.

We describe whether and how risks from identified cybersecurity threats have or are reasonably likely to affect our financial position, results of operations, and cash flows, under the heading “Cyber-attacks and other disruptions, security breaches, and incidents could have an adverse effect on our business, harm our reputation, and expose us to liability” included as part of our Item 1A. "*Risk Factors"*of this Annual Report on Form 10-K, which disclosures are incorporated by reference herein. Except for a wire-transfer authorization that resulted in a fraudulent disbursement as set forth in such risk factor, in the last three fiscal years, to our knowledge we have not experienced any material cybersecurity incidents.

We outsource around-the-clock coverage to a third-party managed service provider who provides timely alerting and notification of potential cybersecurity issues. We continually work with third-party experts to advise on new threats and cybersecurity strategy best practices for specific capabilities.

Our Audit Committee of the Board of Directors is responsible for oversight of our risk assessment, risk management, disaster recovery procedures, and cybersecurity risks. Periodically each year, the Audit Committee receives an overview from one or both of our Co-Chief Executive Officers of our cybersecurity threat risk management and strategy processes, including potential impact on the Company, the efforts of management to manage the risks that are identified, and our disaster recovery preparations. Members of the Board of Directors regularly engage in discussions with management on cybersecurity-related news events and discuss any updates to our cybersecurity risk management and strategy programs.

ITEM 2. PROPERTIES

Our corporate headquarters are leased and are located in Denver, Colorado. On January 15, 2026, we completed the acquisition of Lyocon, which leases facilities in Italy, including approximately 27,000 square feet of warehouse space in Vigevano (PV) pursuant to a lease with an annual lease rate of EUR14,400, paid monthly, which renews automatically and may be terminated with six months advance notice. We are seeking additional facilities for our operations, including potentially utilizing space owned or leased by strategic partners and subsidiaries.

ITEM 3. LEGAL PROCEEDINGS

In the normal course of business, we may become involved in legal proceedings. We will accrue a liability for legal proceedings when it is probable that a liability has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. For information regarding our legal proceedings, refer to Note 7 to the consolidated financial statements included herein.

On September 19, 2025, J.H. Darbie and Co., Inc. (“Darbie”) filed a claim in the U.S. District Court of the Southern District of Florida, West Palm Beach Division, alleging breach of contract under a Finder’s Fee Agreement entered into between us and Darbie in May 2024 and under a Financial Advisory Agreement, dated June 10, 2024, between the parties. Darbie voluntarily dismissed the lawsuit due to lack of jurisdiction in Florida on January 7, 2026. On March 10, 2026, Darbie initiated an arbitration in FINRA’s dispute resolution forum.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Price and Ticker Symbol

Our Common Stock has traded on the NYSE American under the symbol "BURU" since January 31, 2023. Our warrants (the "Public Warrants") sold to public investors in our IPO were traded on the NYSE American under the symbol "BURU WS." On December 12, 2023, the New York Stock Exchange ("NYSE") notified us, and publicly announced, that the NYSE had determined to (a) commence proceedings to delist the Public Warrants, and (b) immediately suspend trading in the Public Warrants due to "abnormally low" trading price levels. As such, the Public Warrants are no longer trading on a public exchange. Prior to the Business Combination on January 31, 2023, our name was "Tailwind Acquisition Corp." and our Class A Common Stock and Public Warrants were listed on the NYSE American under the symbols "TWND" and "TWND WS" respectively.

Holders

As of March 26, 2026, there were 46 holders of record of our Common Stock. The actual number of stockholders of our Common Stock is greater than this number of record holders and includes holders who are beneficial owners but whose shares of Common Stock are held in street name by banks, brokers and other nominees.

Dividends

We do not intend to declare or pay any cash dividends in the foreseeable future.

Securities Authorized for Issuance Under Equity Compensation Plans

Our stockholders approved our Equity Incentive Plan and ESPP in connection with the closing of the Business Combination.

The information required to be provided regarding Securities Authorized for Issuance Under Equity Compensation Plans is incorporated by reference to our definitive proxy statement for our 2026 Annual Meeting of Stockholders, which we intend to hold during the second quarter of 2026.

Performance Graph

Not applicable.

Recent Sales of Unregistered Securities; Use of Proceeds from Registered Offerings

Descriptions of the financing transactions described below under "*Recent Financing Transactions, Settlements and Debt Extinguishments*", as well as share-based compensation arrangements described in Note 13 to the consolidated financial statements are incorporated herein by reference. The shares issued were made pursuant to exemptions from registration under (i) Section 4(a)(2) of the Securities Act as transactions not involving a public offering, (ii) Section 3(a)(9) of the Securities Act as exchanges with existing security holders or (iii) Section 3(a)(10) of the Securities Act as transactions approved by a court or authorized governmental entity.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 6. RESERVED

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise indicated, references in this section to "Nuburu," "we," "us," "our" and "the Company" refer to Nuburu, Inc. and its consolidated subsidiaries, Nuburu, Subsidiary, Inc. and Nuburu Defense, LLC. Defined terms used herein and not otherwise defined are as defined in Part I of this Annual Report.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited financial statements and the notes thereto which are included in "*Item 8. Financial Statements and Supplementary Data*" of this Annual Report on Form 10-K. Certain information contained in the discussion and analysis set forth below includes forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those set forth under "*Special Note Regarding Forward-Looking Statements*," "*Item 1A. Risk Factors*" and elsewhere in this Annual Report on Form 10-K.

A comparison of the results for the years ended December 31, 2025 and 2024 is provided below. An analysis of our financial condition and results of operations for the years ended December 31, 2024 and 2023 can be found under *Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations"* of our Annual Report on Form 10-K, for the year ended December 31, 2024, as amended, which is available through the Securities and Exchange Commission's website at www.sec.gov.

On February 27, 2026, we effected a 1-for-4.99 reverse stock split of our Common Stock (the "2026 Reverse Stock Split"). The 2026 Reverse Stock Split has been reflected retroactively in all Common Stock and per share amounts for all periods presented. Proportional adjustments were made to the number of shares of Common Stock issuable upon exercise, vesting, or conversion of our outstanding stock options, restricted stock units, warrants, convertible notes, preferred stock, and other instruments convertible into or exercisable for Common Stock, as well as the applicable exercise prices, conversion prices, and per share grant date fair values. All share and per share amounts presented in this Annual Report on Form 10-K, including but not limited to earnings per share, weighted-average shares outstanding, shares reserved under equity incentive plans and the employee stock purchase plan, and shares issuable under outstanding derivative and convertible instruments, have been retroactively adjusted to reflect the 2026 Reverse Stock Split for all periods presented.

LIQUIDITY CONSTRAINTS

We have not yet achieved commercialization and expect continued losses until we can do so. We must rely on capital from investors to support operations. From inception, we have continued to incur operating losses and negative cash flows from operating activities. For the years ended December 31, 2025 and 2024, we incurred a net loss of $79,071,276 and $34,515,754 (including significant non-cash expenses), respectively, and we had an accumulated deficit of $200,479,831 and $131,806,605 as of December 31, 2025 and 2024, respectively. We generated total revenue of nil and $152,127 during the years ended December 31, 2025 and 2024, respectively.

During 2024 and 2025, due to the lack of sufficient funding, management initiated measures designed to reduce costs, which included implementing a furlough of employees beginning in 2024. In response to the furloughs and financing challenges, several key employees resigned. On March 5, 2025, our former secured lenders concluded the Foreclosure sale, which resulted in the transfer of our patent portfolio to an affiliate of the senior secured lenders in exchange for a full discharge and extinguishment of our junior and senior secured notes.

We expect to incur significant expenses and operating losses for the foreseeable future, as we devote substantial resources to implement our Transformation Plan, as described in "Item 1. Business" in this Annual Report on Form 10-K, and operate as a public company. Until we can generate sufficient revenue, we plan to finance our business with the proceeds from the issuance and sale of debt or equity securities, including sales pursuant to the SEPA, as defined and discussed below, and borrowings under credit facilities. There is no assurance that management's plans to obtain additional debt or equity financing or credit facilities will be successfully implemented or implemented on terms favorable to us. Even if we generate revenue, there is no guarantee that we will ever become profitable. While we are pursuing a Transformation Plan intended to address aspects of our financial condition and operations, there can be no assurance that these efforts will be successful or that they will alleviate the substantial doubt regarding our ability to continue as a going concern. If we are unable to obtain additional financing, or otherwise implement our Transformation Plan, we will not be able to sustain operations and will need to consider alternatives, which could include a sale, liquidation, or dissolution of the business. For additional information, refer to Note 1 to the consolidated financial statements included herein, for the Company's evaluation of the events and conditions and its plans regarding the going concern matter.

ACQUISITION, INVESTMENT AND JOINT VENTURE PLANS

Orbit (Related-Party), Tekne, Lyocon and Maddox

For information related to certain acquisition, investment-related and joint venture transactions with Orbit S.r.l. ("Orbit"), Tekne S.p.A ("Tekne"), Lyocon S.r.l. ("Lyocon") and Maddox Defense Incorporated ("Maddox"), including our investment in Orbit accounted for under the equity-method through January 2026, see Notes 4, 6 and 17 to the consolidated financial statements included herein.

SYME Convertible Note Receivable and Strategic Investment (Related Party)

For information regarding (i) the Convertible Note Receivable with SYME, as defined and described in Note 6 to the consolidated financial statements, and (ii) the SYME inventory advance, see Notes 6 , 7 and 17 to the consolidated financial statements included herein.

Heckler & Koch AG Investment

As part of ongoing efforts to invest our assets to build out our Defense and Security Platform, on February 6, 2026, we entered into a Securities Purchase Agreement with Brick Lane pursuant to which we acquired from Brick Lane 295,000 shares (or approximately 0.8% of the outstanding common shares) of Heckler & Koch AG, a leading manufacturer of small firearms for NATO and EU countries whose shares are listed on Euronext Paris under the ticker MLHK, for an aggregate purchase price of $15,000,000, which was paid by Subordinated Convertible Note. For additional information, see "Item 1. Business" and Note 17 to the consolidated financial statements included herein.

RECENT FINANCING TRANSACTIONS, SETTLEMENTS AND DEBT EXTINGUISHMENTS

Transfer of Outstanding Preferred Stock

As part of our ongoing efforts to eliminate liabilities and return to compliance with NYSE American stockholder equity requirements, on February 6, 2026, we entered into an exchange agreement with Indigo Capital LP ("Indigo"), pursuant to which we agreed to issue a pre-funded warrant to Indigo in exchange for the extinguishment and cancellation of 844,938 shares of our Series A Preferred Stock held by Indigo.

For additional information, see Note 17 to the consolidated financial statements included herein.

February 2026 Offering and 2025 Offerings

In February 2026 and September 2025, we consummated a best efforts public offering of Common Stock and certain warrants. For additional information, see Notes 10, 11 and 17 to the consolidated financial statements included herein.

December 2025 YA Financing Transaction

On December 17, 2025, we entered into a Securities Purchase Agreement with YA, pursuant to which we completed a $25,000,000 financing transaction (the "December 2025 YA Financing Transaction"). In connection with the December 2025 YA Financing Transaction, we issued (i) a debenture with an aggregate principal amount of $25,000,000 (the “December 2025 YA Debenture”) at an original issue discount of 7.0%, resulting in gross cash proceeds to us of $23,250,000, which is further described in Note 9 to the consolidated financial statements, and (ii) the December 2025 YA Warrants, as defined and described in Note 11 to the consolidated financial statements, to purchase an aggregate of 46,092,188 shares of Common Stock at exercise prices ranging from $0.05 to $2.35 per share, which were determined to be equity-classified and are further described in Note 11 to the consolidated financial statements included herein.

3(a)(10) Claims Settlement

On July 17, 2025, we and Silverback Capital Corporation (“Silverback”) agreed to settle outstanding claims in an amount of $5,662,479 (the “Claims”) owed to Silverback in exchange for a settlement amount payable in shares of Common Stock, subject to court approval. The settlement was approved by the state court on July 30, 2025, after a fairness hearing pursuant to the requirements of Section 3(a)(10) of the Securities Act. As of the date of this Annual Report on Form 10-K, the Silverback program was performed and concluded.

For additional information, see Note 3 to the consolidated financial statements included herein.

Standby Equity Purchase Agreement

On May 30, 2025, we entered into the Standby Equity Purchase Agreement (the “SEPA”) with YA (the “SEPA Investor”), pursuant to which we have the right to sell to the SEPA Investor up to $100,000,000 of Common Stock, subject to certain limitations and conditions set forth in the SEPA, from time to time during the term of the SEPA. We are not obligated to make any sales under the SEPA. The SEPA will terminate on the earlier of 36 months from execution or full utilization of the $100,000,000 commitment amount, and may be terminated earlier by us with five trading days’ written notice, subject to certain conditions.

For additional information regarding the SEPA, see Note 12 to the consolidated financial statements included herein.

December 2025 YA Debenture, Indigo Capital Convertible Notes, AZ Promissory Note (Related-Party), TAG Promissory Note (Related-Party), Agile Note, Diagonal Convertible Notes, Boot Convertible Note, Brick Lane Convertible Notes, Bomore Convertible Notes, Torcross Convertible Note and YA Debenture (each, as defined in Note 9 to the Consolidated Financial Statements included herein)

During the year ended December 31, 2025, we entered into certain debt instruments with various third parties. Additionally, we entered into two related-party convertible notes, the TAG Promissory Note and the AZ Promissory Note, with the Company's Executive Chairman and Co-Chief Executive Officer. For additional information, see Note 9 to the consolidated financial statements included herein.

Junior Notes, Senior Notes, August 2024 Convertible Notes and Foreclosure Collateral Sale (each, as defined in Note 9 to the Consolidated Financial Statements included herein)

During the first quarter of 2025, we fully extinguished our (i) Junior Notes and Senior Notes in connection with certain conversions and as part of the Foreclosure and (ii) August 2024 Convertible Notes. For additional information, see Note 9 to the consolidated financial statements included herein.

SFE EI Agreement and Company Funding

On January 13, 2025, we entered into a letter agreement with SFE EI, pursuant to which SFE EI agreed to engage in efforts and commit capital to finance our operations for the next twelve months pursuant to the Transformation Plan.

Liqueous Settlement Agreement

In the first quarter of 2025, we entered into a settlement agreement, as amended (the “Liqueous Settlement Agreement”), with Liqueous LP (“Liqueous”), whereby we (i) received certain cash payments during the year ended December 31, 2025, as further described in Note 7 to the consolidated financial statements, (ii) modified and issued certain warrants, which were subsequently exercised into Common Stock, and (iii) agreed to issue shares of Common Stock to extinguish the Liqueous Obligation, as defined and described in Note 9 to the consolidated financial statements included herein. During the third quarter of 2025, the Liqueous Obligation was assigned to Redstone Group I LLC (“Redstone”) and $1,097,113 of outstanding principal and accrued interest was settled through the issuance of 1,803,608 shares of Common Stock to Redstone.

In October 2024, we entered into the Master Agreement with Liqueous pursuant to which, among other things, we agreed to implement a $50,000,000 equity line of credit (“ELOC”) pursuant to which we could require Liqueous to purchase Common Stock from time-to-time in the amounts and for the prices determined in accordance with the terms of the ELOC. Following the Liqueous Settlement Agreement, the ELOC will not be implemented and no additional equity will be sold to Liqueous, other than as set forth in the Liqueous Settlement Agreement.

For additional information, see Notes 7, 9, and 11 to the consolidated financial statements included herein.

ADDITIONAL RECENT DEVELOPMENTS

Halting of Trading on NYSE American and February 2026 Reverse Stock Split

Trading of our Common Stock was halted by NYSE American on February 13, 2026, because the trading price dropped below NYSE American's Minimum Trading Price of $0.10. On February 27, 2026, we effected a 1-for-4.99 reverse stock split (the "2026 Reverse Stock Split") in order to return to compliance with the Minimum Trading Price requirement. Our Common Stock resumed trading on March 2, 2026.

For additional information, see Note 17 to the consolidated financial statements included herein.

Inventory, Property and Equipment and Right-of-Use Asset Impairment

During the first quarter of 2025, in connection with our default under our lease in Centennial, Colorado and a default judgment obtained by the landlord against us, we (i) wrote down our inventory to a net realizable value of zero, (ii) wrote down the carrying value of our property and equipment, all of which was at the leased location, to a net book value of zero, and (iii) fully impaired the right-of-use asset associated with this lease, as we could no longer use the leased premises. For additional information, see Notes 1 and 3 to the consolidated financial statements included herein.

NYSE Regulation Notice of Noncompliance

On April 29, 2025, we received a Notice of Noncompliance (the "Notice") from NYSE Regulation indicating that we were not in compliance with Section 1003(a)(i) of the NYSE American LLC Company Guide (the "Company Guide"), which requires a company to maintain stockholders' equity of $2,000,000 or more if it has reported losses from continuing operations or net losses in two of its three most recent fiscal years.

As required by the Company Guide, we submitted a detailed plan on May 29, 2025. The detailed plan advised NYSE Regulation of actions we have taken or will take to regain compliance with the continued listing standards by the compliance deadline of October 29, 2026. On July 22, 2025, the NYSE American notified us that it had accepted our plan outlining definitive actions that we have taken or will take to regain compliance with NYSE American's continued listing standards (the "Compliance Plan") and granted a plan period through October 29, 2026 (the "Plan Period").

NYSE American will review us periodically for compliance with the Compliance Plan. If we are not in compliance with the continued listing standards by October 29, 2026, or if we do not make progress consistent with the Compliance Plan during the Plan Period, NYSE American may initiate delisting proceedings as appropriate. However, we may appeal a staff delisting determination in accordance with the Company Guide.

The Notice and NYSE's acceptance of the Compliance Plan have no immediate effect on the listing or trading of our securities and our Common Stock will continue to trade on the NYSE American under the symbol "BURU" during the Plan Period with the designation of ".BC" to indicate that we are not in compliance with the NYSE American's continued listing standards.

Components of Statements of Operations

Revenue

Although the Company did not generate revenue during the year ended December 31, 2025, revenue historically consisted of revenue recognized from sales and installation services of high-powered lasers. We had customers in the United States, Europe and Asia. In all sales arrangements, revenue was recognized when control of the promised goods or services was transferred to customers, in an amount that reflected the consideration we expected to be entitled to receive in exchange for those goods or services.

Cost of Revenue

Cost of revenue primarily consists of the cost of materials, overhead and employee compensation associated with the manufacturing of our high-powered lasers. Product cost also includes lower of cost or net realizable value inventory ("LCNRV") adjustments if the carrying value of the inventory is greater than its net realizable value as well as adjustments for excess or obsolete inventory.

Operating Expenses

As described above, during 2024, management initiated measures designed to reduce costs, which included implementing a furlough of employees. This significantly impacted commercialization and operations, particularly in the second half of 2024 and continuing in 2025.

Research and Development

Research and development expenses ("R&D") consist primarily of compensation and related costs for personnel, including stock-based compensation, employee benefits, training, travel, third-party consulting services, laboratory supplies, and research and development equipment depreciation incurred to further our commercialization development efforts. We anticipate research and development expenses to increase significantly as we expand our product portfolio. R&D costs are charged to the statement of operations as incurred and are included in operating expenses.

Selling and Marketing

Selling and marketing expenses consist primarily of compensation and related costs for our direct sales force, sales management, and marketing and include stock-based compensation, employee benefits, and travel for selling and marketing employees as well as costs related to trade shows, marketing programs. third-party consulting expenses, branding and public relations activities, and application lab depreciation expenses. We expect selling and marketing expenses to increase in future periods as we expand our sales force, marketing, and customer support organizations and increase our participation in trade shows and marketing programs. Selling and marketing costs are charged to the statement of operations as incurred and are included in operating expenses.

General and Administrative

Our general and administrative expenses consist primarily of compensation and related costs for our finance, human resources and other administrative personnel, and include stock-based compensation, employee benefits and travel expenses. In addition, general and administrative expenses include our third-party consulting and advisory services, legal, audit, accounting services and facilities costs, as well as transaction expenses. We expect our general and administrative expenses to increase for the foreseeable future as we scale headcount with the growth of our business through acquisitions and investments, and as a result of operating as a public company, including compliance with the rules and regulations of the SEC, legal, audit, additional insurance expenses, investor relations activities, and other administrative and professional services. General and administrative costs are charged to the statement of operations as incurred and are included in operating expenses.

Interest Income

Interest income consists primarily of interest income received on our cash and cash equivalents.

Interest Expense

Interest expense consists primarily of (i) interest owed on our outstanding debt, (ii) through the first quarter of 2025, amortization of deferred financing costs and (iii) during 2025, interest expense incurred in connection with the amounts payable to the landlord as part of the lease settlement for our expired lease in Centennial, Colorado. For additional information related to our lease settlement and debt obligations, see Notes 3and 9, respectively, to the consolidated financial statements included herein.

Equity in Losses of Unconsolidated Affiliates (Related-Party)

Equity in losses of unconsolidated affiliates represents our proportionate share of the net losses of our equity-method investees, including the impact of basis differences and any impairment charges, as applicable.

Change in Fair Value of Warrant Liabilities

Change in fair value of warrant liabilities consists of non-cash gains or losses recognized based on the change in the fair value of our liability-classified warrants, which are re-measured to fair value at each balance sheet date with the corresponding gain or loss from the adjustment. For additional information, refer to Notes 5 and 11 to the consolidated financial statements included herein.

Change in Fair Value of Derivative Liability

Change in fair value of derivative liability consists of non-cash gains or losses recognized based on the change in the fair value of the embedded derivatives under the August 2024 Convertible Notes that were required to be bifurcated from the host instrument and accounted for at fair value at issuance, as well as each subsequent balance sheet date. For additional information, refer to Notes 5 and 11 to the consolidated financial statements included herein.

Change in Fair Value of Convertible Note Receivable (Related Party)

Change in fair value of convertible note receivable relates to the unrealized gain or loss resulting from the change in fair value of the Convertible Note Receivable for which the fair value option was elected. This amount reflects the remeasurement of the asset to its current fair value as of the reporting date. For additional information, see Note 6 to the consolidated financial statements included herein.

Change in Fair Value of Notes Payable

Change in fair value of notes payable relates to the unrealized gain or loss resulting from the change in fair value of debt instruments for which the fair value option was elected. This amount reflects the remeasurement of such liabilities to their current fair value as of the reporting date. For additional information, refer to Note 9 to the consolidated financial statements included herein.

Change in Fair Value of SEPA Liability

Change in fair value of SEPA liability relates to the unrealized gain or loss resulting from the change in the fair value of the SEPA liability, which includes (i) the fair value of the put option and (ii) related to the June 30, 2025 valuation, the fair value related to the unissued shares for the commitment fee. For additional information, refer to Notes 5 and 12 to the consolidated financial statements included herein.

Change in Fair Value of Claims Settlement Liability

Change in fair value of claims settlement liability relates to the unrealized gain or loss resulting from the change in the fair value of the claims settlement liability associated with the Silverback Claims Settlement. For additional information, refer to Note 5 to the consolidated financial statements included herein.

Loss on Issuance of Warrants

Loss on issuance of warrants relates to the excess initial fair value of the 2025 Offering Common Stock Warrants over the net proceeds received from the 2025 Offering. For additional information, refer to Notes 5 and 11 to the consolidated financial statements included herein.

Loss on Issuance of Notes Payable

Loss on issuance of notes payable relates to the excess of the initial fair value of certain debt instruments accounted for under the fair value option over the proceeds received. For additional information, refer to Note 9 to the consolidated financial statements included herein.

Loss on Issuance of SEPA

Loss on issuance of SEPA relates to the initial fair value of the SEPA put right at inception of the SEPA on May 30, 2025. For additional information regarding the SEPA, see Note 12 to the consolidated financial statements included herein.

Loss on Extinguishment of Accounts Payable

Loss on extinguishment of accounts payable relates to the derecognition of the liabilities to vendors in connection with the Silverback Claims Settlement, based on the fair value of the shares of Common Stock that can be issued to Silverback to satisfy the claims and the settlement fee. For additional information, see Note 3 to the consolidated financial statements included herein.

Loss on Extinguishment of Notes Payable

Loss on extinguishment of notes payable consists of losses incurred to extinguish debt. For addiitonal information, refer to Note 9 to the consolidated financial statements included herein.

Loss on Settlement of Claims Liability, Net

Loss on settlement of claims liability, net, consists of losses incurred to extinguish the Silverback claims settlement liability. For additional information, refer to Note 3 to the consolidated financial statements included herein.

Loss on Fraudulently Induced Wire Transfer

Loss on fraudulently induced wire transfer represents losses incurred in connection with a wire fraud incident. For additional information, refer to Note 7 to the consolidated financial statements included herein.

SEPA Fees and Issuance Costs

SEPA fees and issuance costs relates to fees and issuance costs incurred in connection with the SEPA. For additional information regarding the SEPA, see Note 12 to the consolidated financial statements included herein.

Gain on Sale of Intellectual Property Intangible Assets

Gain on sale of intellectual property intangible assets primarily relates to the sale of collateral to the lenders holding both the outstanding Senior Convertible Notes and Junior Notes in exchange for a full discharge and extinguishment of our Junior Notes and Senior Convertible Notes, as further described in Note 9 to the consolidated financial statements included herein.

Loss on Impairment of Inventories, Property and Equipment and Operating Lease Right-of-Use Asset

Loss on impairment of inventories, property and equipment and operating lease right-of-use asset relates to write-downs and impairments recorded on our inventories, property and equipment and right-of-use-asset in connection with our default under our lease in Centennial, Colorado, and ultimate judgment obtained by the landlord in April 2025. For additional information, see Notes 1, 3, and 7 to the consolidated financial statements included herein.

Interest Expense Recognized on Remeasurement of Preferred Stock Liability

Interest expense recognized on remeasurement of preferred stock liability relates to the subsequent remeasurement of the preferred stock liability after issuance through March 31, 2025 in connection with the reclassification of the preferred stock from mezzanine equity to a short-term liability on January 31, 2025. For additional information, see Note 10 to the consolidated financial statements included herein.

Other Gain (Loss), Net

Other gain (loss), net consists primarily of issuance costs incurred in connection with the issuance of certain debt instruments and amounts received in federal tax credits.

Results of Operations

The following table sets forth our results of operations for the years ended December 31, 2025 and December 31, 2024:

	Year Ended December 31, 2025	Year Ended December 31, 2024	$ Change
Revenue	$ —	$ 152,127	$ (152,127)
Cost of revenue	181,373	2,205,476	(2,024,103)
Gross margin	(181,373)	(2,053,349)	1,871,976
Operating expenses:			
Research and development	174,559	1,821,816	(1,647,257)
Selling and marketing	4,671,975	468,074	4,203,901
General and administrative	13,348,686	8,807,651	4,541,035
Total operating expenses	18,195,220	11,097,541	7,097,679
Loss from operations	(18,376,593)	(13,150,890)	(5,225,703)
Non-operating income (loss):			
Interest income	10,456	17,166	(6,710)
Interest expense (including $103,299 and nil with related parties, respectively)	(472,381)	(3,346,896)	2,874,515
Equity in losses of unconsolidated affiliates (related party)	(30,175)	—	(30,175)
Change in fair value of warrant liabilities	(13,894,830)	2,109,904	(16,004,734)
Change in fair value of derivative liability	37,900	141,100	(103,200)
Change in fair value of convertible note receivable (related party)	(2,679,772)	—	(2,679,772)
Change in fair value of notes payable (including $847,646 and nil with related parties, respectively)	(3,616,706)	—	(3,616,706)
Change in fair value of SEPA liability	682,276	—	682,276
Change in fair value of claims settlement liability	2,584,724	—	2,584,724
Loss on issuance of warrants	(8,756,303)	—	(8,756,303)
Loss on issuance of notes payable	(3,980,062)	—	(3,980,062)
Loss on issuance of SEPA	(2,582,724)	—	(2,582,724)
Loss on extinguishment of accounts payable (including $290,676 and nil with related parties, respectively)	(5,361,931)	—	(5,361,931)
Loss on extinguishment of notes payable (including $2,840,115 and $1,491,666 with related parties, respectively)	(10,138,337)	(20,504,307)	10,365,970
Loss on settlement of claims liability, net	(395,379)	—	(395,379)
Loss on fraudulently induced wire transfer	(1,005,352)	—	(1,005,352)
SEPA fees and issuance costs	(2,147,287)	—	(2,147,287)
Gain on sale of intellectual property intangible assets	8,961,872	—	8,961,872
Loss on impairment of inventories, property and equipment and operating lease right-of-use asset	(6,064,823)	—	(6,064,823)
Interest expense recognized on remeasurement of preferred stock liability	(10,398,050)	—	(10,398,050)
Other gain (loss), net	(1,447,799)	218,169	(1,665,968)
Loss before provision for income taxes	(79,071,276)	(34,515,754)	(44,555,522)
Provision for income taxes	—	—	—
Net loss	$ (79,071,276)	$ (34,515,754)	$ (44,555,522)

Revenue. Revenue decreased $152,127 during the year ended December 31, 2025 compared to the same period in 2024. This decrease is primarily due to a significant impact to our operations from the implementation of our Transformation Plan in the first quarter of 2025 and a furlough of employees.

Cost of Revenue. Cost of revenue decreased $2,024,103 during the year ended December 31, 2025 compared to the same period in 2024. This decrease is primarily due to a period-over-period decrease of approximately (i) $1,493,000 of direct labor and job costs and (ii) $477,000 in overhead, due to decreased production of the laser systems related to the measures implemented by management during 2024 designed to reduce costs, which included implementing our Transformation Plan and a furlough of employees that significantly impacted commercialization and operations and has had a continued impact into 2025.

Research and Development. Research and development expenses decreased $1,647,257 during the year ended December 31, 2025 compared to the same period in 2024. This decrease is primarily due to decreases in (i) personnel costs of approximately $952,000, due primarily to the furlough of research and development employees as part of the cost reduction measures instituted by management which began during 2024 and continued into 2025, (ii) stock-based compensation expenses of approximately $383,000, due primarily to the furlough of research and development employees as part of the cost reduction measures instituted by management discussed above, (iii) spend on the BL™ series of approximately $139,000, and (iv) depreciation expense of approximately $128,000 due to the write-down of property and equipment to a net book value of zero during the first quarter of 2025. For additional information on the write-down of property and equipment, see Notes 1 and 3 to the consolidated financial statements included herein.

Selling and Marketing. Selling and marketing expenses increased $4,203,901 during the year ended December 31, 2025 compared to the same period in 2024. This increase is primarily due to the net effect of (i) an increase in professional and consulting related expenses of approximately $3,664,000, primarily related to an increase in branding and public relations consulting expenses as part of our Transformation Plan, (ii) an increase in marketing expenses of approximately $578,000, (iii) an increase in stock-based compensation expense of approximately $542,000, primarily related to the forfeiture of an employee's unvested awards upon his resignation in April 2024 that resulted in a large reversal of expense in the second quarter of 2024, (iv) a decrease in payroll expenses of approximately $406,000, primarily as a result of the cost reduction measures instituted by management which began during 2024 and continued into 2025, and (v) a decrease in depreciation expense of approximately $119,000 due to the write-down of property and equipment to a net book value of zero during the first quarter of 2025. For additional information on the write-down of property and equipment, see Notes 1 and 3 to the consolidated financial statements included herein.

General and Administrative. General and administrative expenses increased $4,541,035 during the year ended December 31, 2025 compared to the same period in 2024. This increase is primarily driven by the net effect of (i) an increase in accounting and audit services of approximately $2,379,000 related to our Transformation Plan, (ii) an increase in acquisition-related expenses of approximately $2,104,000 (inclusive of $735,000 in fees paid to TCEI for reimbursement of expenses, as further described in Note 7 to the consolidated financial statements included herein), (iii) an increase in professional and consulting services of approximately $983,000, (iv) a decrease in rent expense of approximately $515,000 due to the termination of the Company's operating lease agreement (see Note 7 to the consolidated financial statements included herein for additional information), and (v) a decrease in insurance expenses of approximately $437,000.

Interest Expense. Interest expense decreased $2,874,515 during the year ended December 31, 2025 compared to the same period in 2024 primarily due to lower interest-bearing debt balances between periods, due to the extinguishment of certain notes, as detailed in Note 9 to the consolidated financial statements included herein. Interest expense during the year ended December 31, 2025 was comprised primarily of (i) approximately $270,000 of interest accrued on the Senior Convertible Notes, Junior Notes and August 2024 Convertible Notes and (ii) approximately $103,000 of accretion of the Orbit Preferred Obligation (as defined and further described in Note 4 to the consolidated financial statements). Interest expense during the year ended December 31, 2024 was comprised of interest accrued on the Senior Convertible Notes and Junior Notes and the debt discount amortization for the Junior Notes. For more information on our debt obligations, see Note 9 to the consolidated financial statements included herein.

Change in Fair Value of Warrant Liabilities. We recorded a loss of $13,894,830 during the year ended December 31, 2025, which is primarily related to the increase of approximately $13,979,000 in the fair value of the 2025 Offering Common Stock Warrants, largely due to an increase in our share price from the time of issuance on September 16, 2025 through December 31, 2025. During the year ended December 31, 2024, we recorded a gain of $343,000, which resulted from the decrease in the fair value of our liability-classified warrants during 2024.

Change in Fair Value of Convertible Note Receivable (Related-Party). We recorded a loss of $2,679,772 during the year ended December 31, 2025, which primarily relates to the net effect of (i) an increase of approximately $5,155,000 in principal amount under the Convertible Note Receivable and (ii) a decrease of approximately $2,680,000 in the fair value of the Convertible Note Receivable, primarily due to the potential dilutive impact on SYME's market value of the expected future conversion of the Convertible Note Receivable into SYME ordinary shares and warrants. For additional information, see Note 6 to the consolidated financial statements included herein.

Change in Fair Value of Notes Payable. We recorded a loss of $3,616,706 during the year ended December 31, 2025, which resulted from (i) a loss of approximately $3,968,000 due to the increase in fair value of the Indigo Capital Convertible Notes prior to their conversion, largely due to an increase in our share price, and (ii) a loss of approximately $289,000 due to the increase in the fair value of the Agile Note, partially offset by (iii) a gain of approximately $489,000 due to the decrease in the fair value of the AZ Promissory Note, largely due to a decrease in our share price from the time of the issuance through year-end, and (iv) a gain of approximately $358,000 due to the decrease in the fair value of the TAG Promissory Note, largely due to a decrease in our share price from the time of the issuance through year-end. For additional information, see Note 9 to the consolidated financial statements included herein.

Change in Fair Value of SEPA Liability. We recorded a gain of $682,276 during the year ended December 31, 2025 related to the decrease in the fair value of the SEPA liability, primarily due to a change in the amount and timing of expected share draws under the SEPA.

Change in Fair Value of Claims Settlement Liability. We recorded a gain of $2,584,724 during the year ended December 31, 2025 related to the change in the fair value of the claims settlement liability associated with the Silverback Claims Settlement, primarily driven by a significant reduction in the probability of payment to the remaining unpaid vendor as of December 31, 2025, resulting in a significant reduction in the expected settlement amount. Refer to Note 3 to the consolidated financial statements for additional information.

Loss on Issuance of Warrants. We recorded a loss of $8,756,303 during the year ended December 31, 2025 related to the excess initial fair value of the 2025 Offering Common Stock Warrants over the net proceeds received from the 2025 Offering. For additional information regarding the 2025 Offering and 2025 Offering Common Stock Warrants, see Notes 10 and 11 to the consolidated financial statements included herein.

Loss on Issuance of Notes Payable. We recorded a loss of $3,980,062 during the year ended December 31, 2025, primarily related to the excess of an aggregate (i) $2,063,000 in the initial fair value of the December 2025 YA Debenture, (ii) $982,000 in the initial fair value of the Indigo Capital Convertible Notes, (iii) $335,000 in the initial fair value of the Diagonal Convertible Notes, (iv) $296,000 in the initial fair value of the Brick Lane Convertible Notes, (v) $156,000 in the initial fair value of the YA Debenture and (vi) $93,000 in the initial fair value of the Boot Convertible Note, each over the proceeds received. For additional information, see Note 9 to the consolidated financial statements included herein.

Loss on Issuance of SEPA. We recorded a loss of $2,582,724 during the year ended December 31, 2025 related to the initial fair value of the SEPA put option at inception of the SEPA on May 30, 2025. For additional information regarding the SEPA, see Note 12 to the consolidated financial statements included herein.

Loss on Extinguishment of Accounts Payable. During the year ended December 31, 2025, we recorded a loss of $5,361,931, which was primarily related to (i) a loss of $6,514,000 on the derecognition of the liabilities to vendors in connection with the Silverback Claims Settlement, which was calculated based on the fair value of the shares of Common Stock that can be issued to Silverback to satisfy the claims and the settlement fee, partially offset by (ii) a gain of $849,000 on the extinguishment of certain accounts payable and accrued expenses resulting from settlements with vendors for less than the amount owed and (iii) a gain of $291,000 on a settlement of amounts owed to related parties. For additional information, see Notes 3 and 7 to the consolidated financial statements included herein.

Loss on Extinguishment of Notes Payable. During the year ended December 31, 2025, we recorded a loss on the extinguishment of notes payable of $10,138,337 which primarily is comprised of (i) approximately $2,123,000 related to excess of the initial fair value of the March Indigo Capital Exchange Convertible Note over the carrying amount of the August 2024 Convertible Notes, (ii) approximately $1,745,000 related to the amendment of the AZ Promissory Note to include a conversion feature, (iii) approximately $1,683,000 related to the sale of collateral, further described in Note 9 to the consolidated financial statements, (iv) approximately $1,175,000 related to the issuance of shares to holders of Junior Notes to extinguish principal and accrued interest under the Junior Notes, (v) approximately $1,095,000 related to the amendment of the TAG Promissory Note to include a conversion feature, (vi) approximately $1,072,000 related to the excess of the fair value of the Brick Lane Exchange Convertible Note at issuance and the carrying value of the shares of our outstanding Series A Preferred Stock that was extinguished, (vii) approximately $480,000 related to the issuance shares to Esousa to extinguish principal and accrued interest under the August 2024 Convertible Notes, (viii) approximately $425,000 related to the issuance shares to settle outstanding principal and accrued interest under the Liqueous Obligation, (ix) approximately $163,000 related to the issuance of the April Indigo Capital Exchange Convertible Note in exchange for the extinguishment of an existing unsecured promissory note of the Company, and (x) approximately $140,000 related to the excess of the fair value of the Bomore Exchange Convertible Note at issuance and the carrying value of our outstanding Series A Preferred Stock that was extinguished. For further information, see Note 9 to the consolidated financial statements included herein.

During the year ended December 31, 2024, we recorded a loss on the extinguishment of debt of $20,504,307, which primarily related to the issuance of shares to noteholders of the Senior Notes and Junior Notes to extinguish principal and accrued interest under the Senior Notes and Junior Notes. For further information, see Note 9 to the consolidated financial statements included herein.

Loss on Settlement of Claims Liability, Net. During the year ended December 31, 2025, we recorded a net loss of $395,379 related to the settlement of the Silverback Claims Settlement, in which Silverback received shares of Common Stock in exchange for the cancellation and dismissal of all remaining obligations under the Silverback Claims Settlement. For further information, see Note 3 to the consolidated financial statements included herein.

Loss on Fraudulently Induced Wire Transfer. During the year ended December 31, 2025, we recorded a net loss of $1,005,352 related to the loss incurred in connection with a wire fraud incident which occurred during the year ended December 31, 2025. Refer to Note 7 to the consolidated financial statements included herein for more information.

SEPA Fees and Issuance Costs. We recorded $2,147,287 of SEPA fees and issuance costs during the year ended December 31, 2025, which relates to (i) approximately $1,072,000 in costs incurred in connection with the sale of shares of Common Stock under the SEPA, (ii) a commitment fee payable to the SEPA Investor in Common Stock in an amount equal to 1% of the Commitment Amount, or $1,000,000, to be paid 50% on execution of the SEPA and 50% 90 days following the date of the SEPA, (iii) legal expenses of $50,000 related to the issuance of the SEPA, and (iv) a structuring fee payable to the SEPA Investor in the amount of $25,000. For additional information regarding the SEPA, see Note 12 to the consolidated financial statements included herein.

Gain on Sale of Intellectual Property Intangible Assets. We recorded a gain on the sale of intellectual property of $8,961,872 during the year ended December 31, 2025, which primarily related to the sale of collateral to extinguish the remaining outstanding Junior Notes and Senior Convertible Notes, as further described in Note 8 to the consolidated financial statements included herein.

Loss on Impairment of Inventories, Property and Equipment and Operating Lease Right-of-Use Asset. We recorded a loss on impairment of inventories, property and equipment and operating lease right-of-use asset of $6,064,823 related to write-downs and impairments recorded on our inventories, property and equipment and right-of-use asset in connection with our default under our lease in Centennial, Colorado, and ultimate judgment obtained by the landlord, in April 2025. For additional information, see Notes 1, 3, and 7 to the consolidated financial statements included herein.

Interest Expense Recognized on Remeasurement of Preferred Stock Liability. We recorded non-cash interest expense of $10,398,050 related to the subsequent remeasurement of the preferred stock liability after issuance through March 31, 2025 in connection with the reclassification of the preferred stock from mezzanine equity to a current liability on January 31, 2025. For additional information, see Note 10 to the consolidated financial statements included herein.

Other gain (loss), net. Other gain (loss), net consisted of a loss of $1,447,799 during the year ended December 31, 2025, which was primarily due to (i) approximately $1,700,000 in issuance costs in connection with the issuance of certain debt instruments accounted for under the fair value option, partially offset by (ii) a gain of approximately $401,000 related to additional amounts received under the Employee Retention Tax Credit for qualifying 2021 wages received during the year ended December 31, 2025, which was accounted for when collectability was assured. For more information, refer to Note 9 to the consolidated financial statements included herein.

Other gain (loss), net consisted of a gain of $218,169 during the year ended December 31, 2024 related to an Employee Retention Tax Credit for qualifying 2021 wages received, which was accounted for when collectability was assured.

Liquidity and Capital Resources

Overview

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations, including working capital needs, debt service, acquisitions, contractual obligations, and other commitments. As of the date of this Annual Report on Form

10-K, we have yet to generate meaningful revenue from our business operations and have funded capital expenditure and working capital requirements through debt and equity financing.

As of December 31, 2025, we had cash and cash equivalents of $24,661,284 as compared to $209,337 as of December 31, 2024. During the year ended December 31, 2025, we received gross cash proceeds of (i) $30,406,708 from certain debt instruments issued, as further described in Note 9 to the consolidated financial statements, (ii) $21,937,886 under the SEPA, as further described in Note 12 to the consolidated financial statements, (iii) $11,994,834 related to the 2025 Offering, as further described in Note 10 to the consolidated financial statements, and (iv) $1,340,000 from the Liqueous Settlement Agreement, and future liquidity may be provided from certain agreements executed subsequent to December 31, 2025, as further described in Note 7 to the consolidated financial statements included herein. Our cash flows from operations are not sufficient to fund our current operating model and expansion plans. As of January 31, 2025, we were also required to redeem the Preferred Stock as permitted by law in cash at an amount equal to $10.00 per share, or $23,889,050. Notwithstanding the foregoing, we are not required to redeem any shares of Preferred Stock to the extent we do not have legally available funds to effect such redemption.

From inception through December 31, 2025, we have incurred operating losses and negative cash flows from operating activities. For the years ended December 31, 2025 and 2024, we have incurred net losses of $79,071,276 and $34,515,754 (including significant non-cash expenses), respectively, and we have an accumulated deficit of $200,479,831 as of December 31, 2025. The operating loss for the year ended December 31, 2025 included $10,398,050 of non-cash interest expense recognized on remeasurement of the preferred stock liability. For additional information on this interest expense, see Note 10 to the consolidated financial statements included herein.

We anticipate that we will incur net losses for the foreseeable future and, even if we generate revenue, there is no guarantee that we will ever become profitable. While we are pursuing a Transformation Plan intended to address aspects of our financial condition and operations, there can be no assurance that these efforts will be successful or that they will alleviate the substantial doubt regarding our ability to continue as a going concern. For additional information, refer to Note 1 to the consolidated financial statements included herein, for the Company’s evaluation of the events and conditions and its plans regarding the going concern matter.

Until we can generate sufficient revenue, we plan to finance our business with the proceeds from the issuance and sale of debt or equity securities, including sales pursuant to the SEPA, or borrowings under credit facilities. We plan to rely on proceeds received from the SEPA to the extent permitted under the terms of the 2025 Offering and the February 2026 Offering. There is no assurance our management's plans to obtain additional debt or equity financing or credit facilities will be successfully implemented or implemented on terms favorable to us.

The further development of our products, commencement of commercial operations and expansion of our business will require a significant amount of cash for expenditures. Our ability to successfully manage this growth will depend on many factors, including our working capital needs, the availability of equity or debt financing and, over time, our ability to generate cash flows from operations.

Given our current liquidity position, we will need to raise additional capital. If we raise additional funds by issuing equity securities, this would result in dilution to our stockholders. If we raise additional funds by issuing any additional preferred stock, such securities may also provide for rights, preferences, or privileges senior to those of holders of Common Stock. If we raise additional funds by issuing debt securities, such debt securities would have rights, preferences and privileges senior to those of holders of Common Stock. The terms of debt securities or borrowings could impose significant restrictions on our operations. The credit market and financial services industry have in the past, and may in the future, experience periods of uncertainty that could impact the availability and cost of equity and debt financing.

Cash Flows

The following table summarizes our cash flows from operating, investing and financing activities for the periods presented.

	Year Ended December 31, 2025	Year Ended December 31, 2024
Net cash used in operating activities	$ (16,090,302)	$ (6,616,941)
Net cash used in investing activities	(16,716,356)	—
Net cash provided by financing activities	58,133,746	4,677,578

Cash flows from operating activities

Net cash used in operating activities was $16,090,302 and $6,616,941 for the years ended December 31, 2025 and 2024, respectively. The increase in cash used in operating activities is primarily the result of an increase in cash used from an increase in net loss of $44,555,522, partially offset by a net decrease in cash used from non-cash expenses of $37,705,825, including (i) a loss on fair value of warrant liabilities of $16,004,734, (ii) interest expense recognized on remeasurement of preferred stock liability of $10,398,050, (iii) a loss on extinguishment of notes payable of $10,138,337, (iv) a gain on sale of intellectual property intangible assets of $8,961,872, (v) a loss on the issuance of warrants of $8,756,303, (vi) a loss on impairment of inventories, property and equipment and operating lease right-of-use asset of $6,064,823, (vii) a loss on extinguishment of accounts payable of $5,361,931, (viii) a loss on issuance of notes payable of $3,980,062 and (ix) a loss on fair value of notes payable of $3,616,706.

Cash flows from investing activities

Net cash used in investing activities was $16,716,356 and nil for the years ended December 31, 2025 and 2024, respectively. The amount used in investing activities for the year ended December 31, 2025 relates to (i) $5,668,545 of cash paid related to the payment for the SYME Inventory Advance, as further described in Note 7 to the consolidated financial statements, (ii) $5,154,872 of payments under the Convertible Note Receivable, and (iii) $4,713,253 of cash paid in connection with certain acquisitions and investments, as further described in Notes 4 and 7 to the consolidated financial statements included herein.

Cash flows from financing activities

Net cash provided by financing activities was $58,133,746 and $4,677,578 for the years ended December 31, 2025 and 2024, respectively.

Net cash provided by financing activities during the year ended December 31, 2025 is comprised primarily of (i) $30,406,708 of proceeds from certain debt instruments issued, as further described in Note 9 to the consolidated financial statements included herein, (ii) $21,937,886 of proceeds from the SEPA and (iii) $11,994,834 of proceeds from the 2025 Offering, as further described in Note 10 to the consolidated financial statements included herein.

Net cash provided by financing in activities during the year ended December 31, 2024 is comprised primarily of proceeds from the issuance of pre-funded warrants and Common Stock of $2,180,522 and $200,000 respectively, as well as proceeds from debt borrowings of $1,796,824 and proceeds from shareholder advances of $644,936, partially offset by payments of accrued deferred financing costs for the Junior Notes totaling $71,500 and tax withholdings for RSU issuances totaling $73,204.

Off-Balance Sheet Arrangements

We have no obligations, assets or liabilities, which would be considered off-balance sheet arrangements as of December 31, 2025. We do not participate in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements. We have not entered into any off-balance sheet financing arrangements, established any special purpose entities, guaranteed any debt or commitments of other entities, or purchased any non-financial assets.

Contractual Obligations

For our contractual obligations that are expected to have an effect on our liquidity and cash flow, refer to Notes 7, 9, 10 and 12 to the consolidated financial statements included in "*Item 8. Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K.

Critical Accounting Estimates

Our consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. We evaluate our estimates and assumptions on an ongoing basis. These estimates and assumptions are based on historical experience and on various other factors that we believe are reasonable under the circumstances. Our actual results could differ from these estimates.

In addition to the accounting policies that are more fully described in the Notes to the Consolidated Financial Statements included in "*Item 8. Financial Statements and Supplementary Data"* of this Annual Report on Form 10-K, we have identified the following critical accounting estimates that require us to use judgments, often as a result of the need to make assumptions regarding matters that are inherently uncertain, and actual results could differ from these estimates. Critical accounting estimates are those that involve a significant amount of estimation uncertainty and have had or are reasonably likely to have a material impact on our financial condition and results of operations. Accordingly, a different financial presentation could result depending on the judgments, estimates or assumptions that are used. Therefore, we consider an understanding of the variability and judgment required in making these estimates to be critical in fully understanding and evaluating our reported financial results.

Fair Value Measurements

U.S. GAAP provides guidance with respect to the recurring and nonrecurring fair value measurements and for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Recurring Valuations. Our recurring valuations are primarily associated with (i) our receivables or debt recorded under the fair value option ("FVO"), (iii) our liability-classified warrants and (iii) our SEPA, each of which are carried at fair value. Changes in the fair values of these instruments has had, and we believe will continue to have, a significant and volatile impact on our consolidated results of operations.

Fair Value Option for Certain Financial Instruments. Our election of the FVO for certain of our financial instruments results in ongoing remeasurement of these instruments using valuation techniques that require significant judgment, and changes in fair value can materially impact our consolidated statements of operations. The fair values of our financial instruments accounted for under the FVO were estimated using appropriate valuation models, which included the following assumptions that required significant management judgment:

- Expected volatility assuming probability and value of alternative outcomes for debt instruments with embedded features or contingent settlement provisions,
- Expected term reflecting the estimated period over which the debt instrument is expected to remain outstanding, considering contractual maturity, conversion features, call or put provisions, prepayment expectations, and other settlement alternatives, as applicable; and
- For the SYME Convertible Note Receivable, probability of default and recovery rate in the case of such an event.

An increase in volatility would generally result in a decrease in the fair value of assets and an increase in the fair value of liabilities, while a decrease in this assumption would generally have the opposite effect. During the year ended December 31, 2025, changes in the fair value of instruments accounted for under the fair value option during the period were primarily driven by changes in our share price related to underlying market conditions.

Liability-Classified Warrants. Our accounting for liability-classified warrants involves significant judgment due to the use of unobservable inputs and the sensitivity of the valuation to changes in assumptions, and changes in fair value can materially impact our consolidated statements of operations.

The fair values of our liability-classified warrants were estimated using a Monte Carlo simulation model, which included the following assumption that required significant management judgment: expected volatility based on the publicly traded shares of selected peer laser companies.

An increase in expected volatility would generally result in an increase in the fair value of the warrant liabilities, while a decrease in this assumption would generally result in a corresponding decrease. During the year ended December 31, 2025, changes in the fair value of our warrant liabilities were primarily driven by an increase in the fair value of the 2025 Offering Common Stock Warrants, largely due to an increase in our share price from the time of issuance on September 16, 2025 through December 31, 2025.

Standby Equity Purchase Agreement. The accounting for the SEPA requires significant judgment due to the use of valuation techniques that incorporate unobservable inputs and assumptions. We valued the SEPA using a Monte Carlo simulation model, which included the following assumptions that required significant management judgment:

- Expected volatility over the remaining availability period,
- Utilization/draw assumptions reflecting our expected funding needs, trading volume limits, and contractual per-draw and aggregate caps; and
- Expected term equal to the remaining contractual availability, adjusted for utilization assumptions and any blackout or pricing-condition days.

Reasonably small changes in these inputs can materially affect the fair value recorded in our balance sheet and the gains or losses recognized in our consolidated statements of operations. In general, an increase in our expected volatility would result in an increase in the fair value of the SEPA liability, while a decrease in this assumption would generally result in a decrease in the fair value. Changes in the fair value of the SEPA during the period were primarily driven by changes in the amount and timing of expected share draws under the SEPA. Actual results may differ from estimates, and such differences could be material to our consolidated financial statements.

See Note 12 to the consolidated financial statements included herein for further details.

Nonrecurring Valuations. Our nonrecurring valuations are primarily associated with the application of the equity method of accounting, which requires that we make fair value determinations as of the applicable valuation date. In making these determinations, we are required to make estimates and assumptions that affect the recorded amounts, including, but not limited to, expected future cash flows, market comparables and discount rates. To assist us in making these fair value determinations, we may engage third-party valuation specialists. Our estimates of fair value are based upon assumptions we believe to be reasonable, but which are inherently uncertain.

See Note 4 to the consolidated financial statements included herein for further details.

Income Taxes

We have historically incurred net losses and expect to continue to incur net losses for the foreseeable future. As a result, we have recorded a full valuation allowance against our deferred tax assets. The determination of the valuation allowance requires significant judgment and is based on an assessment of all available positive and negative evidence, including our history of operating losses, forecasts of future taxable income, and the feasibility of tax planning strategies. Although we have concluded that a full valuation allowance is appropriate as of the reporting date, changes in our operating results, business outlook, or other relevant factors could result in a change to the valuation allowance in future periods. Any release of all or a portion of the valuation allowance could have a material impact on our results of operations in the period in which such determination is made.

Recently Issued and Adopted Accounting Pronouncements

We review new accounting standards to determine the expected financial impact, if any, that the adoption of each new standard will have. For the recently issued and adopted accounting standards that we believe may have an impact on our consolidated financial statements, refer to Note 2 to the consolidated financial statements included herein.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

This information appears following the signature page of this Annual Report on Form 10-K and is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including the Executive Chairman and Co-Chief Executive Officers, as appropriate to allow timely decisions regarding required disclosure.

As required by Rules 13a-15 and 15d-15 under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our Executive Chairman and Co-Chief Executive Officers, of the effectiveness of the design and operation of our disclosure controls and procedures, as of the end of the period covered by this Annual Report on Form 10-K.

Based on this evaluation, we concluded that during the period covered by this report, our disclosure controls and procedures were not effective as of December 31, 2025, because of material weaknesses in our internal control over financial reporting described below.

Management's Report on Internal Controls Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a material misstatement of our consolidated financial statements would be prevented or detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Under the supervision and with the participation of our management, including our Executive Chairman and Co-Chief Executive Officers, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025 based on the framework established in "*Internal Control – Integrated Framework (2013)*" issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Our principal executive officer and principal financial and accounting officer have concluded that during the period covered by this report, our internal control over financial reporting was not effective due to a material weakness in our control environment around the accounting and presentation of complex financial instrument transactions that was not effectively designed or maintained. Additionally, management identified a material weakness related to wire-transfer authorization that resulted in a fraudulent disbursement, as further described in Note 7 to the consolidated financial statements included herein. These material weaknesses could result in material misstatements of the financial statements that would not be prevented or detected on a timely basis.

We plan to take steps to enhance and improve the design of our internal control over financial reporting. During the period covered by this annual report on Form 10-K, we have not been able to remediate the material weaknesses identified above. To remediate such weaknesses, we intend to implement the following changes during our fiscal year ending December 31, 2026: (i) hire additional qualified personnel to address inadequate segregation of duties and ineffective risk management; and (ii) adopt sufficient written policies and procedures for accounting and financial reporting. The remediation efforts set out in (i) and (ii) are, in part, dependent upon our receiving additional financing to cover the costs of implementing the changes required. If we are unsuccessful in securing such funds, remediation efforts may be adversely affected in a material manner.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

This Annual Report on Form 10-K does not include an attestation report of our independent registered public accounting firm due to an exemption established for "non-accelerated filers" set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Changes in Internal Control over Financial Reporting

Other than changes to address the material weakness related to wire-transfer authorization that resulted in a fraudulent disbursement, as further described in Note 7, there were no changes in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(f) or 15d-15(f) of the Exchange Act that occurred during the fourth fiscal quarter covered by this Annual Report on Form 10-K that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not Applicable.

PART III

The following required information is incorporated by reference to our definitive proxy statement for our 2026 Annual Meeting of Stockholders, which we intend to hold during the second quarter of 2026.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

ITEM 11. EXECUTIVE COMPENSATION

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a) The following documents are filed as part of this Annual Report on Form 10-K:

(1) Consolidated Financial Statements:

The financial statements required under this Item begin on page F-2 of this Annual Report on Form 10K.

(2) Financial Statement Schedules:

None.

(3) Exhibits:

We hereby file as part of this Annual Report on Form 10-K the exhibits listed in the attached Exhibit Index. Exhibits which are incorporated herein by reference can be inspected and copied at the public reference facilities maintained by the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Copies of such material can also be obtained from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates or on the SEC website at www.sec.gov.

		Incorporated by Reference			
Exhibit No.	Description	Form	File No.	Exhibit No.	Filing Date
2.1†	Business Combination Agreement, dated as of August 5, 2022, by and among Tailwind Acquisition Corp., Compass Merger Sub, Inc. and Nuburu, Inc.	8-K	001-39489	2.1	August 8, 2022
3.1	Amended and Restated Bylaws of the Company.	8-K	001-39489	3.2	September 9, 2020
3.2	Amendment to the Amended and Restated By Laws of Nuburu, Inc.	8-K	001-39489	3.1	November 12, 2024
3.3	Amended and Restated Certificate of Incorporation of the Company.	8-K	001-39489	3.1	February 6, 2023
3.4	Amendment to the Amended and Restated Certificate of Incorporation of the Company	8-K	001-39489	3.1	June 13, 2024
3.5	Amendment to the Amended and Restated Certificate of Incorporation of the Company.	8-K	001-39489	3.1	February 27, 2026
3.6	Certificate of Designations of the Company.	8-K	001-39489	3.3	February 6, 2023
4.1	Specimen Common Stock Certificate .	8-K	001-39489	4.1	February 6, 2023
4.2	Specimen Preferred Stock Certificate .	8-K	001-39489	4.2	February 6, 2023
4.3	Specimen Warrant Certificate.	S-1	333-248113	4.3	August 26, 2020
4.4	Warrant Agreement, dated as of September 9, 2020, by and between the Company and Continental Stock Transfer and Trust Company.	8-K	001-39489	4.1	September 9, 2020
4.5	Description of Registrant's Securities.	10-K	001-39489	4.5	April 15, 2024
4.6	Form of Warrant to Purchase Shares of Common Stock.	8-K	001-39489	4.2	June 13, 2023
4.7	Form of Warrant to Purchase Shares of Common Stock.	10-K	001-39489	10.41	April 15, 2024
4.8	Subordinated Convertible Note, dated August 18, 2025, between the Company and Indigo Capital LP	10-Q	001-39489	10.8	November 14, 2025
4.9	Subordinated Convertible Note, dated September 2, 2025, between the Company and Bricklane Capital Management Limited	10-Q	001-39489	10.11	November 14, 2025

4.10	Form of Warrant to Purchase Common Stock.	S-1	333-290147	4.6	September 10, 2025
4.11	Form of Pre-Funded Common Stock Purchase Warrant.	S-1	333-290147	4.7	September 10, 2025
4.12	Form of Placement Agent's Purchase Warrant.	S-1	333-290147	4.8	September 10, 2025
4.13	Form of Series 1 Warrant to Purchase Common Shares.	8-K	001-39489	4.1	December 18, 2025
4.14	Form of Series 2, Series 3 and Series 4 Warrant to Purchase Common Shares.	8-K	001-39489	4.2	December 18, 2025
4.15	Form of Debenture.	8-K	001-39489	4.3	December 18, 2025
4.16	Form of Subordinated Convertible Note, dated January 13, 2026, between the Company and Ambrogio D'Arrezzo	S-1	333-293338	10.96	February 10, 2026
4.17	Form of Subordinated Convertible Note, dated January 15, 2026, between the Company and the holder	S-1	333-293338	10.98	February 10, 2026
4.18	Subordinated Convertible Note, dated February 6, 2026, between the Company and Brick Lane Capital Management Limited	S-1	333-293338	10.100	February 10, 2026
4.19	Pre-Funded Common Stock Purchase Warrant, dated February 6, 2026, by the Company to Indigo Capital LLP.	S-1	333-293338	4.12	February 10, 2026
4.20	Form of Common Warrant.	S-1	333-293338	4.13	February 10, 2026
4.21	Form of Pre-Funded Warrant.	S-1	333-293338	4.14	February 10, 2026
4.22	Form of Placement Agent Warrant.	S-1	333-293338	4.15	February 10, 2026
10.1	Investment Management Trust Agreement, dated as of September 9, 2020, by and between the Company and Continental Stock Transfer and Trust Company.	8-K	001-39489	10.2	September 9, 2020
10.2#	Nuburu, Inc. 2022 Equity Incentive Plan.	8-K	001-39489	10.20	February 6, 2023
10.3#	Nuburu, Inc. 2022 Employee Stock Purchase Plan and forms of agreement thereunder.	8-K	001-39489	10.21	February 6, 2023
10.4#	Nuburu, Inc. Executive Incentive Compensation Plan.	8-K	001-39489	10.22	February 6, 2023
10.5#	Form of Nuburu, Inc. Indemnification Agreement.	8-K	001-39489	10.27	February 6, 2023
10.6	Note and Warrant Purchase Agreement dated June 12, 2023.	8-K	001-39489	10.1	June 13, 2023
10.7	Registration Rights and Lock-up Agreement.	8-K	001-39489	10.2	June 13, 2023
10.8	Note and Warrant Purchase Agreement, dated November 13, 2023, by and between Nuburu, Inc. and the lenders party thereto.	10-K	001-39489	10.39	April 15, 2024
10.9	Registration Rights Agreement, dated November 13, 2023, by and between Nuburu, Inc.	10-K	001-39489	10.42	April 15, 2024
10.10	Proposal Letter dated January 13, 2025,among S.F.E. Equity Investments SARL, The AvantGarde Group S.p.A., Alessandro Zamboni and the Company.	10-Q	001-39489	10.1	May 20, 2025

10.11	Comprehensive Settlement Agreement, Mutual Release of Liability and Indemnification dated January 14, 2025, between the Company and Liqueous LP.	10-Q	001-39489	10.2	May 20, 2025
10.12	Amendment to Comprehensive Settlement Agreement, Mutual Release of Liability and Indemnification dated February 14, 2025 between the Company and Liqueous, LP.	10-Q	001-39489	10.3	May 20, 2025
10.13	Second Amendment to Comprehensive Settlement Agreement, Mutual Release of Liability and Indemnification, dated February 17, 2025, between the Company and Liqueous LP.	10-Q	001-39489	10.4	May 20, 2025
10.14	Binding and Irrevocable Commitment Letter, dated February 14, 2025, among the Company, Trumar Capital LLC and Ambrogio D'Arrezzo.	10-Q	001-39489	10.5	May 20, 2025
10.15	On Demand Facility Agreement, dated March 18, 2025, between the Company and Supply@ME Capital plc.	10-Q	001-39489	10.8	May 20, 2025
10.16	Standby Equity Purchase Agreement, dated May 30, 2025, between the Company and YA II PN, LTD.	DEF14A	001-39489	Appendix E	June 10, 2025
10.17	Amendment #3 to Comprehensive Settlement Agreement, Mutual Release of Liability and Indemnification, dated April 15, 2025, between the Company and Liqueous LP	10-Q	001-39489	10.1	August 14, 2025
10.18	Business Loan and Security Agreement, dated May 12, 2025, among the Company, Nuburu Subsidiary, Inc., Agile Lending, LLC and Agile Capital Funding, LLC	10-Q	001-39489	10.7	August 14, 2025
10.19	Amendment to Standby Equity Purchase Agreement, dated June 5, 2025, between the Company and YA II PN, LTD.	10-Q	001-39489	10.11	August 14, 2025
10.20	Business Loan and Security Agreement, dated May 30, 2025, among the Company, Nuburu Subsidiary, Inc., Agile Lending, LLC and Agile Capital Funding, LLC	10-Q	001-39489	10.12	August 14, 2025
10.21	Securities Purchase Agreement, dated July 16, 2025, between the Company and Indigo Capital LP.	10-Q	001-39489	10.1	November 14, 2025
10.22	Securities Purchase Agreement, dated August 18, 2025, between the Company and Indigo Capital LP.	10-Q	001-39489	10.7	November 14, 2025
10.23	Letter regarding Proposal for the Phased Acquisition of Tekne S.p.A., dated August 19, 2025, between the Company and the Selling Shareholders of Tekne S.p.A.	10-Q	001-39489	10.9	November 14, 2025
10.24	Securities Purchase Agreement, dated September 2, 2025, between the Company and Bricklane Capital Management Limited.	10-Q	001-39489	10.10	November 14, 2025
10.25	Form of Securities Purchase Agreement, dated September 15, 2025, between the Company and the purchasers party thereto.	8-K	001-39489	10.1	September 17, 2025
10.26#	Board Compensation Program	8-K	001-39489	10.1	October 7, 2025
10.27	Head of Terms relating to Orbit S.r.l., dated October 6, 2025, between the Company and Alessandro Zamboni	S-1	333-293338	10.88	February 10, 2026

10.28	Sale, Purchase and Investment Agreement, dated October 31, 2025, by and among the Company, Nuburu Defense, LLC, Vanguard Holdings S.r.l. and Alessandro Zamboni	S-1	333-293338	10.89	February 10, 2026
10.29	Head of Terms relating to Lyocon S.r.l., dated November 28, 2025, by and among the Company, Nuburu Subsidiary, Inc., Paola Zanzola and Alessandro Sala	S-1	333-293338	10.90	February 10, 2026
10.30	Securities Purchase Agreement, dated December 13, 2025, between the Company and YA II PN, LTD.	8-K	001-39489	10.1	December 18, 2025
10.31	Registration Rights Agreement, dated December 17, 2025, between the Company and YA II PN, LTD.	8-K	001-39489	10.2	December 18, 2025
10.32	Placement Agency Agreement, dated December 17, 2025, between the Company and Joseph Gunnar and Co., LLC.	8-K	001-39489	10.3	December 18, 2025
10.33	Network Contract, effective as of January 13, 2026, between Tekne S.p.A. and Nuburu Defense, LLC	S-1	333-293338	10.94	February 10, 2026
10.34	Share Transfer and Convertible Shareholder Loan Agreement, effective as of January 13, 2026, among the Company, Ambrogio D'Arrezzo, Carlo Ulacco and Andrea Lodi	S-1	333-293338	10.95	February 10, 2026
10.35	Sale and Purchase Agreement, effective January 15, 2026, among the Company, Nuburu Subsidiary, Inc., Paola Zanzola and Alessandro Sala	S-1	333-293338	10.97	February 10, 2026
10.36	Securities Purchase Agreement, dated February 6, 2026, between the Company and Brick Lane Capital Management Limited	S-1	333-293338	10.99	February 10, 2026
10.37	Exchange Agreement, dated February 6, 2026, between the Company and Indigo Capital LLP	S-1	333-293338	10.101	February 10, 2026
10.38	Acknowledgement and Amendment to the Sale, Purchase and Investment Agreement, dated February 9, 2026, among the Company, Nuburu Defense, LLC, Vanguard Holdings S.r.l., and Alessandro Zamboni	S-1	333-293338	10.102	February 10, 2026
10.39	Form of Securities Purchase Agreement	S-1	333-293338	10.103	February 10, 2026
10.40*†	Contractual Joint Venture Agreement, dated February 26, 2026, among Nuburu, Inc., Nuburu Defense, LLC and Maddox Defense Incorporated				
10.41*	International Cooperation Agreement, dated March 3, 2026, among Nuburu Defense, LLC, TEKNE S.p.A. and Engineering Bureau "Beryl" LLC				
10.42*	Bond Subscription Agreement, dated March 12, 2026, between the Company and Supply@ME Stock Company 3 S.r.l.				
10.43*	Letter, dated March 19, 2026, among the Company, Nuburu Defense, LLC and the shareholders of Tekne, S.p.A.				
19.1	Insider Trading Policy	10-K	001-39489	19.1	April 15, 2025
21.1*	List of Subsidiaries of Nuburu, Inc.				

24.1*	Power of Attorney (included on the signature page of the Form 10-K)				
31.1*	Certification of the Co-Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).				
31.2*	Certification of the Co-Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).				
31.3*	Certification of the Principal Financial and Accounting Officer required by Rule 13a-14(a) or Rule 15d-14(a).				
32.1**	Certification of the Co-Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350				
32.2**	Certification of the Co-Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350				
32.3**	Certification of the Principal Financial and Accounting Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350				
97	Nuburu, Inc. Clawback Policy	10-K	001-39489	97	April 15, 2024
101.INS*	Inline XBRL Instance Document – The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.				
101.SCH*	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents				
104*	104 Cover Page Interactive Data File (embedded within the Inline XBRL document).				

* Filed herewith

** Furnished herewith

Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment and this exhibit has been filed separately with the SEC.

† Certain of the exhibits and schedules to these exhibits have been omitted in accordance with Regulation S-K Item 601(a)(5). The registrant agrees to furnish a copy of all omitted exhibits and schedules to the SEC upon its request.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 31, 2026

NUBURU, INC.

By: /s/ Alessandro Zamboni
Alessandro Zamboni
Executive Chairman and Co-Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Alessandro Zamboni, jointly and severally, his attorney-in-fact, with the power of substitution, for him in any and all capacities, to sign any amendments to this Annual Report on Form 10-K and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Position	Date
/s/ Alessandro Zamboni Alessandro Zamboni	Executive Chairman and Co-Chief Executive Officer *(Principal Executive Officer and Principal Financial and Accounting Officer)*	March 31, 2026
/s/ Dario Barisoni Dario Barisoni	Director and Co-Chief Executive Officer	March 31, 2026
/s/ Matteo Ricchebuono Matteo Ricchebuono	Director	March 31, 2026
/s/ Shawn Taylor Shawn Taylor	Director	March 31, 2026

NUBURU, INC.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of
Nuburu, Inc.:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Nuburu, Inc. (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of operations, consolidated statements of changes in convertible preferred stock and stockholders' deficit, and consolidated statements of cash flows for the years ended December 31, 2025 and 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years ended December 31, 2025 and 2024, in conformity with accounting principles generally accepted in the United States of America.

Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has sustained recurring operating losses and negative cash flows from operating activities. The Company anticipates that it will incur net losses for the foreseeable future and there is no assurance that the Company can raise additional debt or equity financing to support its future operations. All of the aforementioned factors raise substantial doubt about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinions on the critical audit matter or on the accounts or disclosures to which it relates.

Equity Method Investment – Initial Measurement and Valuation

Critical Audit Matter Description

As described in Note 4 of the financial statements, the Company entered into an agreement to purchase the ownership interest in Orbit in tranches. Orbit was wholly owned by the Company's Chief Executive Officer, and therefore the transaction constituted a related-party transaction under U.S. GAAP. Although the Company's initial investment represented only a 10.7% ownership interest, the arrangement provided the Company with significant influence over Orbit based on rights and other terms as defined in the purchase agreement. As a result, the investment was accounted for under equity method of accounting.

Accounting for this transaction required management to estimate the fair value of Orbit, as well as the fair value of the consideration transferred, a significant portion of which was in the form of the Company's preferred stock. The fair value of Orbit was determined using an income approach, while the fair value of the preferred stock obligation was determined using a discounted cash flow methodology. We identified the initial measurement and valuation of the equity method investment as a critical audit matter because the determination of the fair values involved significant judgment and estimation uncertainty, particularly with respect to future cash flow projections, discount rates, and other valuation assumptions. These assumptions are inherently subjective and sensitive to changes in economic and market conditions, and small changes in such assumptions could result in materially different fair-value measurements.

How We Addressed the Matter in Our Audit

The primary procedures we performed to address the critical audit matter included:

- Obtaining and evaluating the sale, purchase, and investment agreement to understand the terms of the transaction and the Company’s rights and obligations.
- Agreeing the terms of the purchase agreement to underlying supporting documentation, including accounting memoranda and valuation reports prepared by management.
- Utilizing the knowledge, experience and expertise of our internal valuation specialists to execute the planned audit procedures related to the valuations by assessing the reasonableness of the methodologies employed to value Orbit and the Company’s preferred stock.
- Evaluating the reasonableness of management’s assumptions used in projecting future cash flows, including projected revenue, operating margins, and other significant operating assumptions, by comparing them to historical results, approved forecasts, and relevant industry and economic trends.
- Evaluating the adequacy of the related disclosures in the financial statements.

/s/ WithumSmith+Brown, PC

We have served as the Company's auditor since 2021.

Irvine, California
March 31, 2026
PCAOB ID Number 100

NUBURU, INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 24,661,284	$ 209,337
Restricted cash	875,141	—
Subscription for Orbit shares (related party)	11,778,600	—
Inventories, net of reserve of nil and $1,161,469 at December 31, 2025 and 2024, respectively	—	1,526,467
SYME inventory advance (related party)	5,668,545	—
Advance on Tekne Convertible Receivable	1,179,686	—
Prepaid expenses and other current assets (including $233,498 and nil with related parties, respectively)	1,621,303	162,749
Total current assets	45,784,559	1,898,553
Equity method investment (related party)	949,806	—
Deposit on acquisition (related party)	733,272	—
Convertible note receivable (related party)	2,351,602	—
Property and equipment, net	—	4,834,729
Operating lease right-of-use assets	—	202,411
Other assets	—	34,359
TOTAL ASSETS	$ 49,819,239	$ 6,970,052
LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$ 2,130,686	$ 6,301,310
Accrued expenses	3,271,219	4,301,195
Current portion of notes payable (including nil and $8,130,638 with related parties, respectively)	25,874,146	9,242,183
Preferred obligation related to Orbit Transaction (related party)	8,131,899	—
Shareholder advances	99,936	644,936
Claims settlement liability	5,575	—
Current portion of operating lease liability	—	237,369
Contract liabilities	—	24,000
Convertible note derivative liability	—	37,900
Preferred stock liability	21,889,050	—
Total current liabilities	61,402,511	20,788,893
SEPA liability	3,201,500	—
Warrant liabilities	397,401	128,615
TOTAL LIABILITIES	65,001,412	20,917,508
Commitments and Contingencies (Note 7)		
Convertible preferred stock, $0.0001 par value; 50,000,000 shares authorized; 2,188,905 and 2,388,905 shares issued and outstanding at December 31, 2025 and 2024, respectively (1)	—	23,889,050
Stockholders' Deficit		
Common Stock, $0.0001 par value; 900,000,000 shares authorized; 92,816,561 and 4,062,974 shares issued and outstanding at December 31, 2025 and 2024, respectively (2)	9,282	406
Additional paid-in capital (2)	185,288,376	93,969,693
Accumulated deficit	(200,479,831)	(131,806,605)
Total Stockholders' Deficit	(15,182,173)	$ (37,836,506)
TOTAL LIABILITIES, CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT	$ 49,819,239	$ 6,970,052

(1) As of December 31, 2025, the value of the convertible preferred stock is presented within preferred stock liability. For additional information, see Note 10.

(2) Amounts for the periods presented have been adjusted to reflect the 1-for-4.99 February 2026 Reverse Stock Split, as defined and further described in Note 2.

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

NUBURU, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31,	
	2025	2024
Revenue	$ —	$ 152,127
Cost of revenue	181,373	2,205,476
Gross margin	(181,373)	(2,053,349)
Operating expenses:		
Research and development	174,559	1,821,816
Selling and marketing	4,671,975	468,074
General and administrative	13,348,686	8,807,651
Total operating expenses	18,195,220	11,097,541
Loss from operations	(18,376,593)	(13,150,890)
Non-operating income (loss):		
Interest income	10,456	17,166
Interest expense (including $103,299 and nil with related parties, respectively)	(472,381)	(3,346,896)
Equity in losses of unconsolidated affiliates (related party)	(30,175)	—
Change in fair value of warrant liabilities	(13,894,830)	2,109,904
Change in fair value of derivative liability	37,900	141,100
Change in fair value of convertible note receivable (related party)	(2,679,772)	—
Change in fair value of notes payable (including $847,646 and nil with related parties, respectively)	(3,616,706)	—
Change in fair value of SEPA liability	682,276	—
Change in fair value of claims settlement liability	2,584,724	—
Loss on issuance of warrants	(8,756,303)	—
Loss on issuance of notes payable	(3,980,062)	—
Loss on issuance of SEPA	(2,582,724)	—
Loss on extinguishment of accounts payable (including $290,676 and nil with related parties, respectively)	(5,361,931)	—
Loss on extinguishment of notes payable (including $2,840,115 and $1,491,666 with related parties, respectively)	(10,138,337)	(20,504,307)
Loss on settlement of claims liability, net	(395,379)	—
Loss on fraudulently induced wire transfer	(1,005,352)	—
SEPA fees and issuance costs	(2,147,287)	—
Gain on sale of intellectual property intangible assets	8,961,872	—
Loss on impairment of inventories, property and equipment and operating lease right-of-use asset	(6,064,823)	—
Interest expense recognized on remeasurement of preferred stock liability	(10,398,050)	—
Other gain (loss), net	(1,447,799)	218,169
Loss before provision for income taxes	(79,071,276)	(34,515,754)
Provision for income taxes	—	—
Net loss	(79,071,276)	(34,515,754)
Reclassification of convertible preferred stock from mezzanine equity to liability	10,398,050	—
Deemed dividend in connection with modification of pre-funded warrants	(3,076,380)	—
Net loss available to common shareholders	$ (71,749,606)	$ (34,515,754)
Net loss per common share, basic and diluted [(1)]	$ (2.25)	$ (29.51)
Weighted-average common shares used to compute net loss per common share, basic and diluted [(1)]	31,912,339	1,169,797

(1) Amounts for the periods presented have been adjusted to reflect the 1-for-4.99 February 2026 Reverse Stock Split, as defined and further described in Note 2.

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

NUBURU, INC.
CONSOLIDATED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

	Convertible Preferred Stock		Common Stock				
	Shares	Amount	Shares (1)	Amount (1)	Additional Paid-in Capital (1)	Accumulated Deficit	Total Stockholders' Deficit
Balance as of January 1, 2024 (1)	2,388,905	$ 23,889,050	184,843	$ 18	$ 64,744,912	$ (97,290,851)	$ (32,545,921)
Issuance of Common Stock	—	—	8,017	1	199,999	—	200,000
Fractional shares issued for stock split	—	—	5,138	1	(1)	—	—
Common stock issued for services	—	—	2,506	—	1	—	1
Issuance of Common Stock to extinguish debt	—	—	3,854,689	385	25,051,370	—	25,051,755
Issuance of Common Stock from releases of restricted stock units	—	—	10,579	1	(1)	—	—
Restricted stock units used for tax withholdings	—	—	(2,798)	—	(73,204)	—	(73,204)
Issuance of warrants	—	—	—	—	2,180,522	—	2,180,522
Stock-based compensation	—	—	—	—	1,866,095	—	1,866,095
Net loss	—	—	—	—	—	(34,515,754)	(34,515,754)
Balance as of December 31, 2024	2,388,905	23,889,050	4,062,974	406	93,969,693	(131,806,605)	(37,836,506)
Reclassification of convertible preferred stock from mezzanine equity to current liabilities	(2,388,905)	(23,889,050)	—	—	—	10,398,050	10,398,050
Contributions from related party	—	—	—	—	110,000	—	110,000
Deemed dividend in connection with modification of pre-funded warrants	—	—	—	—	(936)	—	(936)
Common stock issued for services	—	—	1,128,505	113	599,714	—	599,827
Issuance of Common Stock to extinguish debt	—	—	22,781,307	2,279	26,651,729	—	26,654,008
Shares issued in connection with the Silverback Claims Settlement	—	—	9,411,708	941	7,431,547	—	7,432,488
Issuance of Common Stock in connection with the SEPA	—	—	10,020,041	1,002	21,635,832	—	21,636,834
Issuance of Common Stock in connection with the 2025 Offering, net of offering costs including fair value of the 2025 Offering Placement Agent Warrants	—	—	6,487,683	649	(1,247,900)	—	(1,247,251)
Shares issued in connection with exercise of warrants	—	—	38,212,949	3,821	34,370,122	—	34,373,943
Issuance of Common Stock from releases of restricted stock units	—	—	711,559	71	(71)	—	—
Restricted stock units withheld for tax withholdings	—	—	(165)	—	(129)	—	(129)
Stock-based compensation	—	—	—	—	1,768,775	—	1,768,775
Net loss	—	—	—	—	—	(79,071,276)	(79,071,276)
Balance as of December 31, 2025	—	$ —	92,816,561	$ 9,282	$ 185,288,376	$ (200,479,831)	$ (15,182,173)

(1) Amounts for the periods presented have been adjusted to reflect the 1-for-4.99 February 2026 Reverse Stock Split, as defined and further described in Note 2.

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

NUBURU, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2025	Year Ended December 31, 2024
Cash Flows from Operating Activities:		
Net loss	$ (79,071,276)	$ (34,515,754)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	446,449	790,529
Stock-based compensation	1,792,540	1,866,095
Inventory reserve adjustments	—	28,012
Amortization of debt discount	—	2,381,617
Amortization of deferred financing costs	28,433	590,740
Debt issuance costs expensed under fair value option	1,699,546	—
Interest expense recognized on preferred obligation related to Orbit Transaction (related party)	103,299	—
Settlement of transaction costs through reduction of receivable	150,000	—
Operating lease right-of-use asset	—	383,753
Equity in losses of unconsolidated affiliates (related party)	30,175	—
Change in fair value of warrant liabilities	13,894,830	(2,109,904)
Change in fair value of derivative liability	(37,900)	(141,100)
Change in fair value of convertible note receivable (related party)	2,679,772	—
Change in fair value of notes payable (including $847,646 and nil with related parties, respectively)	3,616,706	—
Change in fair value of SEPA liability	(682,276)	—
Change in fair value of claims settlement liability	(2,584,724)	—
Loss on issuance of warrants	8,756,303	—
Loss on issuance of notes payable	3,980,062	—
Loss on issuance of SEPA	2,582,724	—
Loss on extinguishment of accounts payable (including $290,676 and nil with related parties, respectively)	5,361,931	—
Loss on extinguishment of notes payable (including $2,840,115 and $1,491,666 with related parties, respectively)	10,138,337	20,504,307
Loss on settlement of claims liability, net	395,379	—
SEPA fees and issuance costs	2,147,287	—
Gain on sale of intellectual property intangible assets	(8,961,872)	—
Loss on impairment of inventories, property and equipment and operating lease right-of-use asset	6,064,823	—
Interest expense recognized on remeasurement of preferred stock liability	10,398,050	—
Changes in operating assets and liabilities:		
Accounts receivable	—	482,279
Inventories	—	(203,494)
Prepaid expenses and other current assets	(573,641)	(6,494)
Accounts payable	2,031,126	1,585,696
Accrued expenses	(227,016)	2,108,562
Contract liabilities	(12,000)	(6,400)
Operating lease liability	(237,369)	(355,385)
Net cash used in operating activities	(16,090,302)	(6,616,941)
Cash Flows from Investing Activities:		
Payments for acquisitions and investments (related party)	(4,713,253)	—
Payment related to SYME inventory advance (related party)	(5,668,545)	—
Payments under convertible note receivable (related party)	(5,154,872)	—
Advance on Tekne Convertible Receivable	(1,179,686)	—
Net cash used in investing activities	(16,716,356)	—
Cash Flows from Financing Activities:		
Proceeds from note borrowings	30,406,708	1,796,824
Repayments of notes payable	(3,108,232)	—
Proceeds received from the 2025 Offering	11,994,834	—
Proceeds received from the SEPA	21,937,886	—
Payments of debt and equity issuance costs	(4,097,321)	—

Proceeds received from settlement	1,000,000	—
Restricted stock units withheld for tax withholdings	(129)	(73,204)
Proceeds from issuance of Common Stock	—	200,000
Shareholder advances	—	644,936
Proceeds from the issuance of pre-funded warrants	—	2,180,522
Payment of deferred financing costs	—	(71,500)
Net cash provided by financing activities	58,133,746	4,677,578
NET CHANGE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH DURING THE PERIOD	25,327,088	(1,939,363)
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH —BEGINNING OF PERIOD	209,337	2,148,700
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH —END OF PERIOD	$ 25,536,425	$ 209,337
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 848,066	$ —
Cash paid for income taxes	$ —	$ —
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Issuance of Common Stock upon exercise of warrants	$ 34,373,943	$ —
Issuance of Common Stock upon extinguishment or conversion of notes payable	$ 26,654,008	$ 25,051,755
Issuance of Common Stock in connection with the SEPA	$ 21,636,834	$ —
Issuance of preferred obligation related to Orbit Transaction	$ 8,028,600	$ —
Issuance of Common Stock in connection with Silverback Claims Settlement	$ 7,432,488	$ —
Derecognition of accounts payable in connection with recognition of claims settlement liability	$ 3,113,853	$ —
Extinguishment of existing unsecured promissory note and accrued interest through issuance of convertible note	$ 2,108,523	$ —
Extinguishment of Preferred Stock through issuance of convertible notes	$ 2,000,000	$ —
Reduction of related party receivable for non-cash consideration related to the Orbit Transaction	$ 1,350,000	$ —
Transaction costs related to the reverse recapitalization not yet paid	$ 1,007,439	$ 1,007,439
Shares issued for services included in prepaid expenses	$ 601,415	$ —
Debt issuance costs included in accounts payable and accrued expenses	$ —	$ 712,363
Issuance of promissory note for replacement of shareholder advance	$ 545,000	$ —
Issuance of AZ Promissory Note for related party receivable	$ 900,000	$ —
Stock-based compensation expense included in accrued expenses	$ 25,000	$ —
Settlement of transaction costs through reduction of receivable	$ 150,000	$ —
Initial fair value of convertible note receivable over proceeds paid	$ 110,000	$ —
Deemed dividend in connection with modification of pre-funded warrants	$ 936	$ —
Transfer of property and equipment from inventory	$ —	$ 154,971
Purchase of property and equipment in accounts payable and accrued expenses	$ —	$ 431,970

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

NUBURU, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. BACKGROUND AND ORGANIZATION

Nuburu, Inc. (“Nuburu” or the “Company”) was originally incorporated in Delaware on July 21, 2020 under the name Tailwind Acquisition Corp. (“Tailwind”) as a special purpose acquisition company, formed for the purpose of effecting an initial business combination with one or more target businesses. On September 9, 2020 (the “IPO Closing Date”), the Company consummated its initial public offering (the “IPO”). On January 31, 2023 (the "Closing Date"), the Company consummated a business combination with Nuburu Subsidiary, Inc. f/k/a Nuburu, Inc. (“Legacy Nuburu”), a privately held operating company which merged into the Company's subsidiary Compass Merger Sub, Inc. (the “Business Combination”) and changed its name to “Nuburu, Inc.,” and the Company became the owner, directly or indirectly, of all of the equity interests of Nuburu Subsidiary, Inc. and its subsidiaries.

On July 22, 2025, the Company filed a Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company with the Delaware Secretary of State, increasing the number of shares of stock that the Company has the authority to issue to 950,000,000 shares, of which 900,000,000 shares are common stock, par value of $0.0001 per share, ("Common Stock") and 50,000,000 shares are Preferred Stock (as defined in Note 10).

In September 2025, the Company formed Nuburu Defense, LLC ("Nuburu Defense"), a new wholly-owned subsidiary incorporated in Delaware.

In October 2025, the Company made an investment, accounted for under the equity method, in Orbit S.r.l. (“Orbit”), as further described in Note 4, and in January 2026, the Company increased its ownership in Orbit to approximately 22% and obtained control, resulting in consolidation of Orbit’s operations beginning on that date. Additionally, in January 2026, the Company (i) completed its acquisition of 100% of Lyocon S.r.l. (“Lyocon”), which resulted in consolidation of Lyocon's operations beginning on that date and (ii) entered into strategic agreements with Tekne S.p.A (“Tekne”) through Nuburu Defense, including an initial equity investment of 2.9% and a convertible receivable supporting a broader defense collaboration. For additional information, see Note 17.

Throughout the notes to the consolidated financial statements, unless otherwise noted, the “Company,” “we,” “us” or “our” and similar terms refer to Legacy Nuburu prior to the consummation of the Business Combination, and Nuburu and its subsidiaries after the consummation of the Business Combination.

Going Concern and Liquidity

The Company has not yet achieved full commercialization and is expected to incur losses until it does.

From inception through December 31, 2025, the Company has incurred operating losses and negative cash flows from operating activities. For the years ended December 31, 2025 and 2024, the Company has incurred net losses of $79,071,276 and $34,515,754 (including significant non-cash expenses), respectively, and the Company has an accumulated deficit of $200,479,831 as of December 31, 2025. The Company expects to continue executing its comprehensive growth and diversification strategy, expanding into complementary domains such as defense-tech, security, and operational resilience solutions. The Company anticipates that it will incur net losses for the foreseeable future and, even if it increases its revenue, there is no guarantee that it will ever become profitable.

Until the Company can generate sufficient revenue, it plans to finance its business with the proceeds from the issuance and sale of debt or equity securities and borrowings under credit facilities, including sales pursuant to its SEPA with the SEPA Investor, each defined and further described in Note 12. The Company plans to rely on proceeds received from using the SEPA to the extent permitted under the terms of the February 2026 Offering and 2025 Offering, as defined and described in Notes 17 and 10, respectively. There is no assurance that management's plans to obtain additional debt or equity financing or credit facilities will be successfully implemented or implemented on terms favorable to the Company.

The Company has identified conditions that raise substantial doubt about its ability to continue as a going concern within 12 months from the issuance of these consolidated financial statements, including historical operating losses, negative cash flows from operations, significant debt service obligations, and reliance on external financing.

In January 2025, the Company adopted a new business plan focused on building a stable foundation for the future business, including addressing outstanding payables, entering into joint development agreements, and investing in controlling interests in strategic targets (the “Transformation Plan”). Management has implemented and continues to execute its Transformation Plan and has taken actions during 2025 and early 2026 to strengthen the Company’s financial position and liquidity profile. These actions include balance sheet improvements, enhanced access to the capital markets, and the establishment of a platform-based operating model through strategic investments and acquisitions.

Management's plans to address these conditions involve a combination of available liquidity resources and financing strategies, including existing cash, potential monetization of financial assets, and access to financing arrangements. Execution of these plans depends on various assumptions and external factors, including market conditions and the Company’s ability to access capital on acceptable terms.

The Company is also subject to execution risks related to the timing and realization of its strategic initiatives, as well as capital markets risks, including share price performance, trading volumes, and broader macroeconomic and geopolitical conditions, which may affect access to financing.

Notwithstanding these uncertainties, management believes that the actions taken to date represent a material improvement compared to prior periods and provide a credible path toward improved liquidity position and operating performance over time.

Management further believes that the successful execution of its Transformation Plan—particularly the acquisition of a controlling interest in Tekne, the full integration of Orbit, the acquisition of Lyocon and the expansion of the Company's laser business and the development and commercialization of capabilities with Maddox under the Maddox Agreement (as defined in Note 17)—would establish a scaled, integrated operating platform capable of generating sustainable revenues and improved liquidity, aligned with market demand.

Management believes that the actions described above could significantly reduce the conditions that raise substantial doubt of the Company's ability to continue as a going concern. However, substantial doubt about the Company's ability to continue as a going concern remains.

NYSE Regulation Notice of Noncompliance

On April 29, 2025, the Company received a Notice of Noncompliance from NYSE Regulation indicating that the Company was not in compliance with Section 1003(a)(i) of the NYSE American LLC Company Guide (the "Company Guide"), which requires a company to maintain stockholders' equity of $2,000,000 or more if it has reported losses from continuing operations or net losses in two of its three most recent fiscal years.

As required by the Company Guide, the Company submitted a detailed plan on May 29, 2025. The detailed plan advised NYSE Regulation of actions the Company has taken or will take to regain compliance with the continued listing standards by the compliance deadline of October 29, 2026. On July 22, 2025, the NYSE notified the Company that it had accepted the Company's plan outlining definitive actions that the Company has taken or will take to regain compliance with NYSE's continued listing standards (the "Compliance Plan") and granted a plan period through October 29, 2026 (the "Plan Period").

The NYSE will review the Company periodically for compliance with the Compliance Plan. If the Company is not in compliance with the continued listing standards by October 29, 2026, or if the Company does not make progress consistent with the Compliance Plan during the Plan Period, the NYSE American may initiate delisting proceedings as appropriate. However, the Company may appeal a staff delisting determination in accordance with the Company Guide.

The NYSE notice and NYSE's acceptance of the Compliance Plan have no immediate effect on the listing or trading of the Company's securities and the Company's Common Stock will continue to trade on the NYSE American under the symbol "BURU" during the Plan Period with the designation of ".BC" to indicate that the Company is not in compliance with the NYSE American's continued listing standards.

The Company believes that, upon consummation of certain of the transactions that it has recently announced, it will be able to regain compliance. However, such transactions are subject to regulatory approvals, stockholder approval, and other closing conditions and, as a result, may not be consummated. Even if consummated, such transactions may not achieve the anticipated results or benefits to the Company.

Inventory, Property and Equipment and Right-of-Use Asset Impairment

The Company leased approximately 27,900 square feet of office space in Centennial, Colorado under a noncancelable operating lease agreement. The original term of the lease was set to expire in December 2024, however, in November 2023, the Company elected to extend the lease through June 2025. As further described in Note 3, as of March 31, 2025, the Company was in default under its lease, and Centennial Tech Industrial Owner (the "Landlord") pursued available remedies in advance of the expiration of the lease term in June 2025. As such, during the first quarter of 2025, the Company determined that, based on the assumption that the Landlord would fully exercise its rights with respect to all assets remaining on the premises, (i) it no longer had control over the inventory and that recovery was not probable, therefore, inventory was written down to a net realizable value of zero, (ii) the carrying value of its property and equipment, all of which was at the leased location, was no longer recoverable, and the assets were written down to a net book value of $0, and (iii) the right-of-use asset associated with this lease was fully impaired, as the Company could no longer use the leased premises, each of which is recorded within loss on impairment of inventories, property and equipment and operating lease right-of-use asset on the consolidated statement of operations for the year ended December 31, 2025. See Note 3 for additional information.

Certain Significant Risks and Uncertainties

The Company's future operating results are subject to various risks and uncertainties, including its ability to obtain additional financing, achieve commercialization, execute its Transformation Plan and strategic transactions, comply with applicable regulatory requirements, manage indebtedness and liquidity, and respond to competitive, geopolitical, and economic conditions, which could cause actual results to differ materially from expectations.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements are presented in U.S. dollars and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and pursuant to the accounting and disclosure rules and regulations of the U.S. Securities and Exchange Commission ("SEC").

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

February 2026 Reverse Stock Split

On February 27, 2026, the Company effected a 1-for-4.99 reverse stock split of its Common Stock (the "February 2026 Reverse Stock Split") in order to return to compliance with the Minimum Trading Price requirement. Trading of the Company's Common Stock was halted by NYSE American on February 13, 2026, because the trading price dropped below NYSE American's Minimum Trading Price of $0.10. The

Company’s Common Stock resumed trading on March 2, 2026. The February 2026 Reverse Stock Split affected all stockholders uniformly and did not impact the Company’s total stockholders’ deficit. Any fractional shares resulting from the February 2026 Reverse Stock Split were rounded up to one full share.

Proportional adjustments were made to the number of shares of Common Stock issuable upon exercise, vesting, or conversion of the Company's outstanding stock options, restricted stock units, warrants, convertible notes, preferred stock, and other instruments convertible into or exercisable for Common Stock, as well as the applicable exercise prices, conversion prices, and per share grant date fair values. All share and per share amounts presented in these consolidated financial statements and accompanying notes — including but not limited to earnings per share, weighted-average shares outstanding, shares reserved under equity incentive plans and the employee stock purchase plan, and shares issuable under outstanding derivative and convertible instruments — have been retroactively adjusted to reflect the February 2026 Reverse Stock Split for all periods presented.

For additional information, see Note 17.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires the Company’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the consolidated financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Estimates and assumptions made by management include, but are not limited to, fair value measurements, the valuation of equity method investments, income taxes and related valuation allowances, inventory reserve and valuation of stock-based compensation. Such estimates may be subject to change as more current information becomes available and, accordingly, the actual results could differ significantly from those estimates.

Cash and Cash Equivalents

Cash equivalents are defined as short term, highly liquid investments, which are readily convertible to cash and have remaining maturities of three months or less at the date of acquisition. As of December 31, 2025, cash was primarily held in accounts with a single financial institution that is a licensed and regulated digital banking platform operating under applicable foreign regulatory authorities. The Company has not experienced any losses in such accounts, nor does the Company believe it is exposed to any significant credit risk on cash and cash equivalents. However, any loss incurred or lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations, and cash flows. As of December 31, 2025 and 2024, nil and substantially all, respectively, of the cash on hand was considered cash equivalents.

Restricted Cash

Restricted cash represents funds held in U.S.-based banking collateral accounts maintained in connection with outstanding letters of credit related to our contemplated acquisition of a controlling interest in Tekne, as further described in Note 7, which exceeded Federal Deposit Insurance Corporation insurance limits of $250,000 as of December 31, 2025. The letters of credit expire on August 31, 2026, and, in accordance with bank policy, the collateral will be released 30 days after the expiration date. The collateral funds are not invested and earn interest at a rate of 1% per annum. As of December 31, 2025 and 2024, restricted cash totaled $875,141 and nil, respectively, and is included in restricted cash on the consolidated balance sheets. See Note 7 for additional information.

Concentrations of Credit Risk, Other Risks and Uncertainties

The Company's financial instruments that are subject to credit risk consist primarily of (i) cash and cash equivalents, (ii) the Convertible Note Receivable with SYME (as defined and described in Note 6), and (iii) SYME Inventory Advance (as defined and described in Note 6). At December 31, 2025, substantially all of the Company's cash and cash equivalents were held in accounts with a single financial institution that is a licensed and regulated digital banking platform operating under applicable foreign regulatory authorities. At December 31, 2024, substantially all of the Company's cash and cash equivalents were held in one large financial institution located in the United States. In the event of a failure of the financial institution or restrictions on access to these funds, the Company’s liquidity and ability to fund operations could be materially adversely affected. Management believes the financial risk associated with these balances is minimal and has not experienced any losses to date.

The Company's future results of operations involve a number of risks and uncertainties. The Company is a defense, security, and critical-infrastructure technology company focused on the development, integration, and deployment of dual-use, non-kinetic, and software-orchestrated solutions addressing modern security and resilience challenges across military, governmental, and civilian domains. The Company operates a modular, platform-based business model that integrates directed-energy technologies, electronic-warfare capabilities, and a software-centric command, control, and orchestration layer through a combination of wholly owned subsidiaries, strategic investments and partnerships, and industrial cooperation arrangements. The Company is subject to the risks associated with such activities, including the need to further develop its technology and its marketing and distribution channels; further develop its supply chain and manufacturing; and hire additional management and other key personnel. Successful completion of the Company’s development program and, ultimately, the attainment of profitable operations, are dependent upon future events, including its ability to access potential markets and secure long-term financing.

During the year ended December 31, 2024, two customers accounted for 50% and 25% of the Company’s revenue. The Company had no outstanding accounts receivable as of December 31, 2025 and 2024.

Allowance for Credit Losses

The Company evaluates financial assets measured at amortized cost, including trade receivables, notes receivable, loans and other financing receivables, for expected credit losses in accordance with ASC 326, *Financial Instruments—Credit Losses*. The Company estimates an allowance for credit losses based on historical loss experience, current conditions and reasonable and supportable forecasts affecting the collectability of the reported amounts. The estimate of expected credit losses considers, among other factors, the financial condition and creditworthiness of the borrower, the underlying collateral, macroeconomic conditions, and the expected duration of the asset. The Company may also incorporate probability-of-default and loss-given-default assumptions or other valuation techniques when appropriate. Financial assets for which the fair value option has been elected are excluded from the scope of ASC 326 and are instead measured at fair value through net loss. Recoveries of amounts previously written off are recorded when received.

The Company writes off financial assets against the allowance when it determines the asset is uncollectible. As of December 31, 2025, the Company evaluated its financial assets within the scope of ASC 326 for expected collectibility and determined that the $110,000 receivable related to the Liqueous Settlement Agreement, as defined and described in Note 7, was uncollectible, resulting in the recognition of a loss of the same amount within other gain (loss), net on the consolidated statement of operations for the year ended December 31, 2025.

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities, including cash equivalents, restricted cash, prepaid expenses and other current assets, certain acquisition and investment-related assets, accounts payable, accrued expenses, certain debt instruments and certain acquisition and investment-related liabilities, which qualify as financial instruments under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820 — *Fair Value Measurement* ("ASC 820"), approximates the carrying amounts represented in the consolidated balance sheets, primarily due to their short-term nature. For information concerning the fair values of certain of our assets and liabilities, including how we arrive at our fair value measurements, see Note 5.

Assets and liabilities recorded at fair value on a recurring basis in the balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, as follows:

- Level 1: Valuations based on quoted prices for identical assets and liabilities in active markets.
- Level 2: Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
- Level 3: Valuations based on unobservable inputs reflecting our own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

The assets' or liabilities' fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value option for certain financial instruments

The Company elected the fair value option ("FVO") for recognition of (i) certain debt instruments, as described in Notes 5 and 9, and (ii) the Convertible Note Receivable with SYME (as defined and described in Note 6), as permitted under ASC 825, *Financial Instruments* ("ASC 825"). Under this option, financial instruments are initially recognized at fair value as an asset or liability on the consolidated balance sheets with subsequent changes in fair value, inclusive of interest, market risk, and other factors affecting valuation, reflected in the consolidated statements of operations. The Company elected to recognize interest expense or income within the line item presented for the change in the fair value of the asset or liability. Additionally, the change in fair value of financial liabilities attributable to the change in the instrument-specific credit risk is required to be presented separately in other comprehensive income. For the year ended December 31, 2025, the change in fair value related to a change in the instrument-specific credit risk was immaterial. All costs associated with the issuance of financial instruments accounted for using the FVO are expensed upon issuance or as incurred. See Notes 6 and 9 for additional information.

Inventories, Net

All inventories are stated at the lower of cost determined on the first in, first out basis or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predicted costs of completion, disposal, and transportation. Inventory includes parts and components that may be specialized in nature and subject to obsolescence. The Company maintains a reserve for excess or obsolete inventory items. On a quarterly basis, the Company reviews inventory quantities on hand in comparison to past consumption, recent purchases, and other factors to determine what inventory quantities, if any, may not be sellable. Based on this review, inventories are written off and charged to cost of revenue when identified as excess or obsolete. Subsequent changes in facts and circumstances do not result in an increase in the reserve previously recognized. In addition, the Company may recognize separate impairment charges when events or changes in circumstances indicate that the carrying value of inventory is not recoverable. During the year ended December 31, 2025, the Company incurred a loss on impairment of inventory in the amount of $1,526,467, which was recorded on the consolidated statement of operations within loss on impairment of inventories, property and equipment and operating lease right-of-use asset. Refer to Note 3 for further information.

Property and Equipment, Net

Property and equipment are stated at cost less accumulated depreciation and amortization. The Company provides for depreciation and amortization of property and equipment on a straight-line basis for financial accounting purposes, and on an accelerated basis for tax purposes, over the estimated useful life of the respective asset.

Maintenance and repairs are charged to expense as incurred and major renewals or betterments which extend the life of such assets are capitalized based on the shorter of the life of the lease or the estimated useful life. The net gain or loss on property retired or otherwise disposed of is credited or charged to operating expenses and the costs and accumulated depreciation and amortization are removed from the accounts.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Description of property and equipment	Years
Computer equipment	5
Office furniture and equipment	7
Leasehold improvements	The shorter of the lease term or useful life
Machinery and equipment	10

During the year ended December 31, 2025, the Company recorded a loss on impairment of property and equipment in the amount of $4,388,279, which was recorded on the consolidated statement of operations within loss on impairment of inventories, property and equipment and operating lease right-of-use asset. Refer to Note 3 for further information. There was no impairment loss recognized for the year ended December 31, 2024.

Leases

The Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, and operating lease liabilities, current, and noncurrent, on the consolidated balance sheets. The Company currently does not have any finance lease arrangements.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date of the lease. As the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the commencement date of the lease in determining the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives and initial direct costs incurred. The Company's lease terms may include an option to extend or terminate the lease when it is reasonably certain that it will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term. Leases with an initial term of 12 months or less are not recorded on the balance sheet; the Company recognized lease expense for these leases on a straight-line basis over the lease term.

During the year ended December 31, 2025, the Company recorded a loss on impairment of operating lease right-of-use asset in the amount of $150,077, which was recorded on the consolidated statement of operations within loss on impairment of inventories, property and equipment and operating lease right-of-use asset. Refer to Note 3 for further information. There was no impairment loss recognized for the year ended December 31, 2024.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. If the sum of the expected undiscounted cash flows is less than the carrying value of the related asset or group of assets being reviewed for impairment, a loss is recognized for the difference between the fair value and carrying value of the asset or group of assets. For the year ended December 31, 2025, the Company recorded a loss on impairment of inventories, property and equipment and operating lease right-of-use asset in the amount of $6,064,823 which is reflected in the consolidated statement of operations within loss on impairment of inventories, property and equipment and operating lease right-of-use asset. Refer to Note 3 for further information. There was no impairment loss recognized for the year ended December 31, 2024.

Equity Method Investment

The Company accounts for its investment in Orbit, as further defined and described in Note 4, over which it has significant influence but does not have control, using the equity method of accounting in accordance with ASC 323, *Investments—Equity Method and Joint Ventures*. Under the equity method, investments, originally recorded at cost, which includes the fair value of the consideration paid, inclusive of directly attributable transaction costs, and the fair value of non-cash consideration paid, are adjusted to recognize our share of net earnings or losses of the investee as they occur rather than as dividend distributions are received, with our recognition of losses generally limited to the extent of our investment in, and advances and commitments to, the investee. When the cost of an equity method investment exceeds the Company’s proportionate share of the investee’s net assets, the resulting basis difference is allocated to identifiable assets and liabilities based on their estimated fair values at the acquisition date. Basis differences attributable to finite-lived intangible assets are amortized over their estimated useful lives, with such amortization reflected in equity method earnings (losses). Any remaining basis difference attributable to goodwill is not amortized and is included in the carrying amount of the equity method investment, which is evaluated for impairment. All costs directly associated with the acquisition of an investment to be accounted for using the equity method are included in the carrying amount of the investment. For additional information regarding our equity method investment, see Note 4.

Mandatorily Redeemable Preferred Stock

The Company accounts for mandatorily redeemable preferred stock in accordance with ASC 480, *Distinguishing Liabilities from Equity*. Preferred stock that is mandatorily redeemable on a fixed or determinable date, or upon the occurrence of an event certain to occur, is classified as a liability on the consolidated balance sheets. Mandatorily redeemable preferred stock is initially recognized at its fair value, and subsequently measured at its redemption value. See Note 10 for additional information.

Revenue Recognition

The Company's primary business activity involves sales of high-powered lasers and related installation services. The Company has sales to customers throughout the U.S., Europe, and Asia. All sales are settled in U.S. dollars. The Company accounts for revenue contracts with customers by applying the requirements of FASB ASC 606 — *Revenue from Contracts with Customers* ("ASC 606"), which includes the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, the Company satisfies a performance obligation.

In all sales arrangements, revenues are recognized when control of the promised goods or services is transferred to customers, in an amount the Company expects to be entitled to receive in exchange for those goods and services.

At contract inception, the Company assesses the goods or services promised within each contract and determines the performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes revenue for the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied.

Determining the method and amount of revenue to recognize requires the Company to make judgments and estimates which include determining whether the performance obligation is satisfied over time or at a point in time, the selection of method to measure progress towards completion, and determining if the contract includes any variable consideration or material right elements.

The Company’s primary performance obligations include product sales and installation services. Revenue for product sales is recognized when the customer obtains control of the product, which occurs at a point in time, and may be upon shipment or upon delivery based on the contractual shipping terms of a contract. Revenue for installation services is recognized over time, as the service is rendered. For this performance obligation, the Company has a right to consideration from customers that corresponds directly with the value to the customers of the Company's performance completed to date, and as such, the Company recognizes revenue in the amount to which it has a right to invoice the customer. Typically, invoices are issued upon shipment or completion of services, which varies based on the product and service duration.

The Company allocates the transaction price based on the estimated relative standalone selling prices of the promised products or services underlying each performance obligation. The Company determines standalone selling prices based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, the Company estimates the standalone selling price taking into account available information such as market conditions and internally approved standard pricing related to the performance obligations.

The Company recognizes freight and shipping costs associated with outbound freight after control over a product has transferred to a customer, as a fulfillment cost and includes those costs in materials within cost of revenue. Revenue received from shipping and handling fees is reflected in net revenue.

The Company's standard terms and conditions which are applicable to the Company's contracts covering the sale of its products include warranty provisions that provide assurance to its customers that the products will comply with agreed upon specifications, which is standard in the industry. The product warranty is accounted for in accordance with the guidelines under ASC 460-10 — *Guarantees*. Therefore, losses from warranty obligations are accrued when the amount of loss can be reasonably estimated, and the information is available before the financial statements are issued or are available to be issued.

The Company has determined that the nature, amount, timing, and uncertainty of revenue and cash flow are most significantly affected by its customer concentration, changes in technology, and adverse changes in the economy that may have an adverse impact on the ability of customers to contract with and pay the Company.

Income Taxes

Income taxes are accounted for in accordance with the provisions of FASB ASC 740 — *Income Taxes* ("ASC 740"), which requires the recognition of deferred income taxes for differences between the basis of assets and liabilities for financial statement and income tax purposes. Income taxes are recognized for the current year and for the impact of deferred tax assets and liabilities, which represent future tax consequences of events that have been recognized differently in the financial statements than for income tax purposes. Deferred tax assets and liabilities are determined based upon the difference between the financial statement and income tax basis of assets and liabilities, as measured by the enacted tax rates which will be in effect when these differences are expected to reverse. Deferred tax expense (credit) is the result of changes in the deferred tax assets and liabilities.

In the event of the future consequences of differences between financial reporting bases and tax bases of assets and liabilities result in a deferred tax asset, the Company performs an evaluation of the probability of being able to realize future benefits indicated by such asset. A valuation allowance related to a net deferred tax asset is recorded when it is more likely than not that some portion or all of the net deferred tax asset will not be realized. The Company recorded a full valuation allowance as of December 31, 2025 and 2024, as it is more likely than not that the Company will not be able to utilize the net deferred tax assets in the foreseeable future (see Note 14, Income Taxes). The Company maintains valuation allowances until sufficient evidence exists to support the reversal of such valuation allowances.

The Company recognizes in its financial statements the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of operating expense. Management has evaluated the Company's tax positions and concluded the Company has taken no uncertain tax positions that would require adjustments to the financial statements to comply with the provisions of this guidance. As there were no uncertain tax positions as of December 31, 2025 and 2024, no interest or penalties were recorded to operating expenses. Tax returns filed by the Company remain open to federal and state income tax examinations through the statutory time periods.

Cost of Revenue

Cost of revenue primarily consists of the cost of materials, overhead and employee compensation associated with the manufacturing of our high-powered lasers. Product cost also includes lower of cost or net realizable value ("LCNRV") adjustments to inventory for adjustments to reduce the carrying value of inventory if its value is greater than the net realizable value, as well as adjustments for excess or obsolete inventory.

Research and Development Expenses

Research and development expenses ("R&D") consist primarily of compensation and related costs for personnel, including stock-based compensation, employee benefits, training, travel, third-party consulting services, laboratory supplies, and research and development equipment depreciation incurred to further our commercialization development efforts. We anticipate research and development expenses will increase significantly as we expand our product portfolio. R&D costs are charged to the statement of operations as incurred and are included in operating expenses.

Selling and Marketing Expenses

Selling and marketing expenses consist primarily of compensation and related costs for the Company’s direct sales force, sales management, and marketing and include stock-based compensation, employee benefits, and travel for selling and marketing employees as well as costs related to trade shows, marketing programs. third-party consulting expenses, branding and public relations activities, and application lab depreciation expenses. The Company expects selling and marketing expenses to increase in future periods as it expands its sales force, marketing, and customer support organizations and increase its participation in trade shows and marketing programs. Selling and marketing costs are charged to the statement of operations as incurred and are included in operating expenses.

General and Administrative Expenses

The Company’s general and administrative expenses consist primarily of compensation and related costs for its finance, human resources and other administrative personnel, and include stock-based compensation, employee benefits and travel expenses. In addition, general and administrative expenses include the Company’s third-party consulting and advisory services, legal, audit, accounting services and facilities costs, as well as transaction expenses. The Company expects its general and administrative expenses to increase for the foreseeable future as it scales headcount with the growth of its business through acquisitions and investments, and as a result of operating as a public company, including compliance with the rules and regulations of the SEC, legal, audit, additional insurance expenses, investor relations activities, and other administrative and professional services. General and administrative costs are charged to the statement of operations as incurred and are included in operating expenses.

Stock-Based Compensation Expenses

The Company measures and recognizes the compensation expenses for all stock-based awards made to employees, directors, and consultants based on estimated grant date fair values. The fair value of employee stock options is estimated on the grant date using the Black-Scholes model. The fair value for time-based stock awards is based on the grant date share price reduced by the present value of the expected dividend yield prior to vesting. The fair value of market-based stock awards is estimated using an option-pricing model on the date of grant. Stock-based compensation is reduced for forfeitures, which are accounted for as they occur.

Net Earnings or Loss Per Common Share ("EPS")

The Company's basic EPS is calculated by dividing net loss by the weighted-average number of shares of Common Stock outstanding for the period. Contingently issuable shares are included in basic and diluted EPS only when all specified contingencies other than time have been satisfied. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue Common Stock were exercised, vested, or converted into Common Stock, and is computed by dividing net income or loss available to common stockholders by the weighted-average number of shares of Common Stock outstanding during the period, adjusted for the effect of potentially dilutive shares of Common Stock using the treasury stock or if-converted methods, as applicable. For additional information on the Company's outstanding Common Stock equivalents excluded from the calculation of net loss per common share, see Note 15.

Recently Adopted Accounting Pronouncements

ASU 2023-09

In December 2023, the Financial Accounting Standards Board (“FASB") issued Accounting Standards Update (“ASU") 2023-09, *Income Taxes (Topic 740) – Improvements to Income Tax Disclosures*. The ASU requires that an entity disclose specific categories in the effective tax rate reconciliation as well as reconciling items that meet a quantitative threshold. Further, the ASU requires additional disclosures on income tax expense and taxes paid, net of refunds received, by jurisdiction. The new standard is effective for annual periods beginning after December

15, 2024 on a prospective basis with the option to apply it retrospectively. We adopted ASU 2023-09 on January 1, 2025 on a retrospective basis and the information presented in Note 14 reflects the enhanced disclosures.

New Accounting Pronouncements Not Yet Adopted

ASU 2024-03

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 is intended to provide more detailed information about specified categories of expenses (purchases of inventory, employee compensation, depreciation and amortization) included in certain expense captions presented on the consolidated statement of operations. This new standard is effective for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The amendments may be applied either (1) prospectively to financial statements issued for periods after the effective date of this ASU or (2) retrospectively to all prior periods presented in the consolidated financial statements. The Company is in the process of finalizing the disclosures that will be required by the adoption of the provisions of ASU 2024-03, and will adopt these amendments for annual disclosures in the Annual Report on Form 10-K for the year ending December 31, 2027.

ASU 2025-11

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270) Narrow-Scope Improvements,* which is intended to improve the navigability of the guidance in ASC 270, *Interim Reporting*, and clarify when it applies. Under the amendments, an entity is subject to ASC 270 if it provides interim financial statements and notes in accordance with GAAP. ASU 2025-11 also addresses the form and content of such financial statements, interim disclosures requirements, and establishes a principle under which an entity must disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, and early adoption is permitted. The Company is currently evaluating the impact of these amendments on its consolidated financial statement disclosures.

NOTE 3. BALANCE SHEET COMPONENTS

Operating Lease

The Company leased approximately 27,900 square feet of office space in Centennial, Colorado, with a lease term through June 2025.

As of March 31, 2025, the Company was in default under the lease, and the Landlord pursued available remedies in advance of the lease term that expired in June 2025. In April 2025, the Landlord obtained a default judgment against the Company in the amount of $409,278, which accrues interest at a rate of 10% per annum beginning in March 2025 until paid in full. The Company and the Landlord entered into a settlement agreement on October 14, 2025, pursuant to which the parties released any claims related to the lease in exchange for the Company’s payment of $130,000 to the Landlord. As a result of the settlement, the Company recorded a gain of $146,132, which is reflected in other gain (loss), net on the consolidated statement of operations for the year ended December 31, 2025.

The Landlord exercised its rights under the lease agreement and applicable law with respect to a lessee in default and such lessee’s assets located on the premises, including the removal and disposal of inventories and property and equipment remaining on the property. As such, during the first quarter of 2025, the Company determined that, based on the assumption that the Landlord would fully exercise its rights with respect to all assets remaining on the premises, (i) it no longer had control over the inventory and that recovery was not probable, therefore, inventory was written down to a net realizable value of zero, (ii) the carrying value of its property and equipment, all of which was at the leased location, was no longer recoverable, and the assets were written down to a net book value of $0, and (iii) the right-of-use asset associated with this lease was fully impaired, as the Company could no longer use the leased premises, each of which is recorded within loss on impairment of inventories, property and equipment and operating lease right-of-use asset on the consolidated statement of operations for the year ended December 31, 2025.

Consistent with the Company’s previously disclosed business plan for its future business, the Company does not believe that assets or equipment that remain on this leased property are critical to its new business strategy, given that it will not be conducting full-scale manufacturing or laser design or development that would involve the prior patent portfolio, which was transferred to its former secured lenders.

The Company is pursuing a lease for a replacement facility that is more appropriate for the Company’s new business strategy. However, entering into a new lease and appropriately equipping a new facility is costly and time-consuming and may cause delays in the Company’s progress with respect to the business plan focused on building a stable foundation for its future business.

Inventories, Net

Inventories, net as of December 31, 2024 consisted of the following:

	December 31, 2024
Raw materials and supplies	$ 1,913,013
Work-in-process	161,137
Finished goods	613,786
Inventories, gross	2,687,936
Less: inventory reserve	(1,161,469)
Inventories, net	$ 1,526,467

During the year ended December 31, 2025, in connection with the lease default described above, inventory was written down to a net realizable value of zero, as the Company no longer had control over the inventory and recovery was not probable, through a $1,526,467 loss recorded within loss on impairment of inventories, property and equipment and operating lease right-of-use asset on the consolidated statement of operations for the year ended December 31, 2025.

During the year ended December 31, 2024, the Company recorded a lower of cost or net realizable value charge of $28,012, primarily related to fully reserving inventory related to switching certain series of the Company's lasers, offset by scrap adjustments.

Property and Equipment, Net

Property and equipment, net as of December 31, 2024 consisted of the following:

	December 31, 2024
Machinery and equipment	$ 7,203,592
Leasehold improvements	897,948
Furniture and office equipment	205,897
Computer equipment and software	197,386
Property and equipment, gross	8,504,823
Less: accumulated depreciation and amortization	(3,670,094)
Property and equipment, net	$ 4,834,729

As of December 31, 2025, the Company's property and equipment, net value was nil, as the carrying value of its property and equipment, all of which was at the leased location, was no longer recoverable. Depreciation and amortization expense related to property and equipment was $446,449 and $790,529 for the years ended December 31, 2025 and 2024, respectively.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets as of December 31, 2025 and 2024 consisted of the following:

	As of December 31, 2025	2024
Prepaid professional fees	$ 614,225	516
Prepaid services	601,415	—
Interest receivable (related party)	233,498	—
Prepaid insurance	154,776	123,959
Other current assets	13,887	10,269
Other prepaid assets	3,502	28,005
Total prepaid expenses and other current assets	$ 1,621,303	$ 162,749

Accrued Expenses

Accrued expenses as of December 31, 2025 and 2024 consisted of the following:

	As of December 31, 2025	2024
Accrued legal, accounting and professional fees	$ 1,486,556	$ 2,448,594
Accrued payroll and benefits	699,085	357,953
Accrued transaction costs related to the reverse recapitalization	503,600	503,600
Accrued taxes payable	426,088	232,966
Accrued interest	114,313	560,501
Accrued lease-related payables	—	54,288
Other	41,577	143,293
Total accrued expenses	$ 3,271,219	$ 4,301,195

Accounts Payable - 3(a)(10) Claims Settlement

On July 17, 2025, the Company and Silverback Capital Corporation ("Silverback") agreed to settle outstanding claims in an amount of $5,662,479 (the "Claims") owed to Silverback in exchange for a settlement amount payable in shares of Common Stock (the "Settlement Shares"), subject to court approval (the "Silverback Claims Settlement"). The Settlement Shares are priced in an amount equal to the last trading price of Common Stock on July 17, 2025 (the "Closing Price"), which was $1.5319, as adjusted; provided that, if the sale price of Common Stock drops below the Closing Price, the purchase price of the Settlement Shares will be the lower of (i) the Closing Price or (ii) 75% multiplied by the average of the three lowest traded prices during the fifteen day trading period preceding the share request made by Silverback, subject to other terms of the settlement. Under the settlement terms, Silverback may not hold more than 4.99% of issued and outstanding Common Stock at any time. The Claims include bona fide, outstanding, and unpaid creditor claims that Silverback acquired from the Company's creditors and agreed to exchange for shares of Common Stock in a state court-approved transaction, in compliance with the terms of Section 3(a)(10) of the Securities Act. The Company also agreed to issue 80,160 shares of Common Stock as a settlement fee (the

"Settlement Fee Shares"), which were issued during the third quarter of 2025. The settlement was approved by the state court on July 30, 2025, after a fairness hearing pursuant to the requirements of Section 3(a)(10) of the Securities Act.

The Company is required to meet certain conditions, including timely delivery of Settlement Shares, compliance with specified covenants, and maintenance of trading eligibility and SEC filing compliance. If these conditions were not satisfied, Silverback could declare the Company in default and terminate its remaining obligations, including the funding of payments under related claims purchase agreements. In the event of default, the Company remained obligated to issue Settlement Shares and fee shares for any liabilities previously purchased by Silverback, and Silverback could elect to declare either a full or partial default.

Upon initial recognition of the Silverback Claims Settlement, the Company derecognized the liabilities to vendors, which were each included in accounts payable on the consolidated balance sheet, in an aggregate amount of $3,113,854 and recognized a claims settlement liability to Silverback in an aggregate amount of $9,627,408 calculated based on the fair value of the shares of Common Stock that can be issued to Silverback to satisfy the claims and the settlement fee, resulting in $6,513,554 recognized as loss on extinguishment of accounts payable in the consolidated statement of operations for the year ended December 31, 2025.

During the year ended December 31, 2025, the Company issued 8,529,945 Settlement Shares at an aggregate fair value of $6,540,488 to settle $4,262,479 of contractual claims under the Silverback Claims Settlement. Additionally, during the year ended December 31, 2025, the Company recorded a change in fair value of $2,584,724 of the claims settlement liability, which is included in change in fair value of claims settlement liability on the consolidated statements of operations.

In October 2025, the Company and Silverback terminated the Silverback Claims Settlement, which was approved by the state court. As part of the termination, the parties agreed that Nuburu was to issue 806,613 freely tradable and unrestricted shares of Common Stock to Silverback as consideration to settle any paid or unpaid claims and to cancel and dismiss all remaining obligations under the Silverback Claims Settlement, of which Silverback received 801,603 in connection with the termination in October 2025, and the Company recorded a net loss of $395,379 within loss on extinguishment of claims liability, net in the consolidated statement of operations for the year ended December 31, 2025.

Settlements of Accounts Payable and Accrued Expenses

During the year ended December 31, 2025, the Company negotiated with vendors and other parties to settle certain amounts owed, which were previously accrued within accounts payable and accrued expenses on the consolidated balance sheet. As the settlement amounts paid were less than the amounts owed to the vendors, a gain of $848,948 was included within loss on extinguishment of accounts payable in the consolidated statement of operations for the year ended December 31, 2025.

NOTE 4. EQUITY METHOD INVESTMENT (RELATED-PARTY)

On October 31, 2025, the Company, Nuburu Defense, Alessandro Zamboni (the Company's Executive Chairman and Co-Chief Executive Officer), and Vanguard Holdings S.r.l. ("Vanguard"), a newly-formed Italian limited liability company wholly owned by Alessandro Zamboni, entered into a Sale, Purchase and Investment Agreement (the "Orbit Agreement") for the sale of all of the ownership interests in Orbit to Nuburu Defense (the "Orbit Transaction").

- *Equity Infusion*. Nuburu Defense may make up to a $5,000,000 equity investment in Orbit (the "Equity Infusion"). Under the Orbit Agreement, the Company has agreed to consummate the Equity Infusion in tranches, with the final tranche closing no later than October 7, 2028. During the year ended December 31, 2025, the Company paid $1,500,000 of the Equity Infusion amount in connection with the signing of the Orbit Agreement, resulting in its holding a 10.7% ownership interest in Orbit.
- *Orbit Consideration*. In addition to the Equity Infusion, Nuburu Defense plans to acquire, in tranches by December 31, 2026, all outstanding capital stock of Orbit from Vanguard for an aggregate purchase price of $12,500,000, consisting of (i) $3,750,000 in cash and (ii) non-cash consideration worth $8,750,000 in the form of, (a) subject to obtaining stockholder approval, a variable number of preferred shares, or (b) if such stockholder approval is not obtained, an equivalent instrument of the Company or cash (the "Orbit Preferred Obligation") (collectively, the "Orbit Consideration"). During the year ended December 31, 2025, the Company paid Orbit Consideration worth $3,750,000 (the "Advance Payment") by (i) offsetting of a credit owed by Mr. Zamboni to the Company of $1,350,000 related to the TCEI Acquisition, which is no longer being completed, and (ii) a cash payment of $2,400,000 to Mr. Zamboni. As described in Note 17, on February 9, 2026, the parties to the Orbit Agreement entered into an amendment to issue 10,020,040 shares of Common Stock in lieu of the obligation to issue preferred shares.

Under the Orbit Agreement, the Company has the exclusive right to market, sell, promote and distribute the Orbit platform to the security sector globally for 36 months. Upon Nuburu Defense's obtaining a 20% ownership interest in Orbit, which occurred in January 2026 as described in Note 17, Orbit's bylaws were amended; Alessandro Zamboni resigned as a director of Orbit; and new members of Orbit's board of directors were appointed pursuant to the new bylaws. Following the appointment of the new directors to Orbit's board of directors, Alessandro Zamboni was appointed as Chairman of Orbit and Nuburu Defense designated Orbit's chief executive officer. Since Orbit is wholly owned by Alessandro Zamboni, our Executive Chairman and Co-Chief Executive Officer, indirectly through Vanguard, the Orbit Transaction constitutes a related party transaction under U.S. securities laws and, as a result, the Orbit Transaction and Orbit Agreement have been reviewed and approved by our independent directors and Audit Committee.

We accounted for our 10.7% interest in Orbit under the equity method of accounting, as we have the ability to exercise significant influence over Orbit based on rights and other terms contained in the Orbit Agreement. The initial cost of the investment in Orbit consisted of the fair value of the Orbit business, as determined by third-party valuation specialists using the income approach. Under the income approach, a discounted cash flow methodology was utilized, which estimates the present value of the Orbit equity at time of investment at an appropriate discount rate, and is a Level 3 nonrecurring fair value measurement within the fair value hierarchy due to the significant unobservable inputs.

As of December 31, 2025, the Company's investment in Orbit had a carrying value of $949,806. The carrying amount of the Company's investment in Orbit exceeded its proportionate share of Orbit's net assets by approximately $1,112,750, primarily due to fair value step-ups associated with developed technology, which is amortized over 5 years, customer relationships, which is amortized over 7 years, and goodwill, which is not amortized. During the year ended December 31, 2025, there were no dividend distributions received. Additionally, there were no impairment losses or adjustments to the investment basis in connection with the Orbit investment during the year ended December 31, 2025.

Additionally, the Company recorded assets related to (i) a subscription for Orbit shares of $11,778,600, which was comprised of the initial fair value of Orbit Preferred Obligation of $8,028,600 and the Advance Payment of $3,750,000, and (ii) a deposit on acquisition of $733,272, which was comprised of cash paid during the fourth quarter of 2025 of $1,500,000 less the initial cost of the investment in Orbit and related transaction costs. As the Company's commitment to pay the Orbit Preferred Obligation was non-cancellable, binding and non-contingent as of the execution of the Orbit Agreement, the obligation represents a requirement to settle a fixed monetary amount using a variable number of shares or other assets, and is accounted for as a liability in accordance with ASC 480, which was initially recognized at fair value on a nonrecurring basis on the execution date of the agreement and is subsequently accreted to its redemption value as interest expense using the effective interest method through the expected settlement date of December 31, 2026. The fair value of the Orbit Preferred Obligation at inception was determined using a discounted cash flow methodology, which estimates the present value of the fixed settlement amount based on the expected settlement date and an appropriate discount rate, and is a Level 3 fair value measurement within the fair value hierarchy due to the significant unobservable inputs. During the year ended December 31, 2025, the Company recognized $103,299 of accretion on the Orbit Preferred Obligation, which is included in interest expense on the consolidated statement of operations for the year ended December 31, 2025.

NOTE 5. FAIR VALUE MEASUREMENTS

The Company's financial instruments that are carried at fair value consist of Level 1 and Level 3 assets and liabilities:

- **Level 1.** Level 1 assets include highly liquid bank deposits and money market funds, which were not material in any period presented herein.
- **Level 3.** Level 3 assets and liabilities are included in the table below, and are classified as Level 3 due to the use of unobservable inputs in the valuation of the asset or liability. Gains or losses from the remeasurement of (i) debt recorded under the fair value option (each as defined and described in Note 9) are recorded as part of change in fair value of notes payable, (ii) the SEPA liability (as defined and described in Note 12) are recorded as part of change in fair value of SEPA liability, (iii) the 2025 Offering Common Stock Warrants (as defined and described in Notes 10 and 11) and Junior Note Warrants (as defined and described in Notes 9 and 10) are recorded as part of change in fair value of warrant liability, (iv) the Silverback Claims Settlement (as defined and described in Note 3) are recorded as part of change in fair value of claims settlement liability and (v) the August 2024 Convertible Note Derivative Liability (as defined and described in Note 9) are recorded as part of change in fair value of derivative liability in the consolidated statements of operations.

There were no transfers between Level 1, Level 2, and Level 3 in any period presented.

The following tables set forth the fair value of the Company's financial assets and liabilities measured at fair value on a recurring basis by level within the fair value hierarchy as of December 31, 2025 and 2024:

	As of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Convertible Note Receivable	$ —	$ —	$ 2,585,100	$ 2,585,100
Total assets	$ —	$ —	$ 2,585,100	$ 2,585,100
Liabilities:				
Current portion of notes payable:				
Notes payable - fair value option	$ —	$ —	$ 25,960,206	$ 25,960,206
SEPA liability	—	—	3,201,500	3,201,500
Warrant liabilities:				
2025 Offering Common Stock Warrants	—	—	353,160	353,160
Junior Note Warrants	—	—	44,241	44,241
Claims settlement liability	—	—	5,575	5,575
Total liabilities	$ —	$ —	$ 29,564,682	$ 29,564,682

	As of December 31, 2024			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Junior Note Warrants	$ —	$ —	$ 128,615	$ 128,615
Convertible note derivative liability [1]	—	—	37,900	37,900
Total liabilities	$ —	$ —	$ 166,515	$ 166,515

(1) Represents the August 2024 Convertible Note Derivative Liability, as defined and described in Note 9. In March 2025, the remaining August 2024 Convertible Notes were purchased by Indigo Capital and subsequently extinguished. For additional information, see Note 9.

Level 3 Financial Assets

Convertible Note Receivable (Related Party)

The following table sets forth a summary of the changes in fair value of the Company's Convertible Note Receivable:

	Year ended December 31, 2025
Fair value, beginning balance	$ —
Initial fair value over proceeds paid	110,000
Principal additions	5,154,872
Change in fair value	(2,679,772)
Fair value, ending balance	$ 2,585,100

The aggregate fair value of the Convertible Note Receivable was estimated using a Monte Carlo simulation based approach, a Level 3 valuation. The significant inputs to the calculation of the fair value of the Convertible Note Receivable at issuance through December 31, 2025 were as follows:

	Year ended December 31, 2025
Convertible Note Receivable	
Stock price	$ 0.000038 - 0.000048
Expected term (in years)	0.75 - 1.25
Expected volatility	157.7% - 224.0%
Risk-free interest rate	3.6% - 4.2%
Expected dividend yield	0.0%

Level 3 Financial Liabilities

Notes Payable - Fair Value Option

The following tables set forth a summary of the changes in fair value of the Company's notes payable recorded under the fair value option:

	Year Ended December 31, 2025					
	Beginning Balance	Issuance	Additions & (Payments)	Conversion	Change in Fair Value	Ending Balance
Indigo Capital Convertible Notes	$ —	$ 9,482,632	$ —	$ (13,399,656)	$ 3,968,080	$ 51,056
AZ Promissory Note (related party)	—	2,645,200	—	(2,155,844)	(489,356)	—
TAG Promissory Note (related party)	—	1,639,914	—	(1,281,624)	(358,290)	—
Diagonal Convertible Notes	—	699,197	—	(359,589)	(45,949)	293,659
Agile Note	—	500,000	(774,917)	—	289,474	14,557
Brick Lane Convertible Notes	—	2,742,750	—	(2,567,609)	16,038	191,179
Bomore Convertible Notes	—	1,411,829	—	(1,511,236)	147,578	48,171
Boot Convertible Note	—	193,215	—	(173,626)	(19,589)	—
Torcross Convertible Note	—	133,883	—	(199,219)	89,420	24,084
YA Debenture	—	1,255,700	(1,250,000)	—	(5,700)	—
December 2025 YA Debenture	—	25,312,500	—	—	25,000	25,337,500
Total	$ —	$ 46,016,820	$ (2,024,917)	$ (21,648,403)	$ 3,616,706	$ 25,960,206

The fair value of the Company's notes payable recorded under the fair value option was estimated using Level 3 fair value measurements. The range of significant inputs to the calculation of the fair value of the notes payable recorded under the fair value option at issuance through December 31, 2025 were as follows:

	Year Ended December 31, 2025				
Valuation Inputs:	**Indigo Capital Convertible Notes[1]**	**Diagonal Convertible Note[1]**	**Agile Note[2]**	**Brick Lane Convertible Notes[1][3]**	**Bomore Convertible Notes[3]**
Stock price [4]	$ 0.75 - 1.75	$ 0.70 - 1.75	N/A	$ 0.75 - 1.75	$ 0.75 - 1.75
Expected term (in years)	0.42 - 1.00	0.33 - 0.79	0.01 - 0.58	0.42 - 1.00	0.46 - 1.00
Expected volatility	194.6% - 268.7%	145.6% - 245.4%	N/A	258.4%	N/A
Risk-free interest rate	3.7% - 4.2%	3.6% - 4.2%	N/A	4.1%	N/A
Risk-adjusted discount rate	12.1% - 12.9%	N/A	13.7% - 19.1%	N/A	N/A
Expected dividend yield	N/A	N/A	N/A	N/A	N/A

	Year Ended December 31, 2025					
Valuation Inputs:	**Boot Convertible Note[1]**	**Torcross Convertible Note[3]**	**TAG Promissory Note[1]**	**AZ Promissory Note (Related Party)[1]**	**YA Debenture (Related Party)(1)**	**December 2025 YA Debenture (Related Party)(1)**
Stock price [4]	$ 0.70 - 1.75	$ 0.75 - 1.75	$ 0.75 - 1.60	$ 0.75 - 1.60	$ 1.75	$ 0.80 - 1.00
Expected term (in years)	0.41 - 0.79	0.48 - 1.00	0.33 - 0.55	0.58 - 0.81	1.00	0.96 - 1.00
Expected volatility	157.9% - 245.4%	N/A	120.5% - 196.2%	146.0% - 231.3%	206.0%	204.0% - 205.0%
Risk-free interest rate	3.9% - 4.2%	N/A	4.0% - 4.3%	3.8% - 4.2%	3.7%	3.5%
Risk-adjusted discount rate	N/A	N/A	N/A	N/A	N/A	13.4% - 13.8%
Expected dividend yield	N/A	N/A	N/A	N/A	N/A	N/A

(1) Fair value was estimated using a Monte Carlo simulation model, which incorporates significant assumptions including the expected volatility of the Company's stock price, the risk-free interest rate, and the timing and probability of future liquidity events.

(2) Fair value was estimated using a discounted cash flow method, which applies a risk-adjusted discount rate to projected future cash flows. The valuation involves significant judgment in determining key inputs such as forecasted revenue growth, margin expectations and discount rates.

(3) Fair value was estimated using the current value method, which allocates the Company's most recent enterprise value to the various classes of equity based on their respective rights and preferences.

(4) Amounts for the periods presented have been adjusted to reflect the 1-for-4.99 February 2026 Reverse Stock Split. See Note 2 for additional information.

SEPA Liability

The following table sets forth a summary of the changes in fair value of the Company's SEPA liability:

	Year ended December 31, 2025
Fair value, beginning balance	$ —
Fair value at issuance	3,582,724
Common Stock issued [1]	(21,636,834)
Settlement of YA Debenture	1,261,880
Cash receipts under SEPA liability	20,676,006
Change in fair value	(682,276)
Fair value, ending balance	$ 3,201,500

(1) Includes the fair value of the shares issued to the SEPA Investor in connection with the commitment fee payable under the SEPA in an amount equal to 1% of the Commitment Amount, or $1,000,000, to be paid 50% on execution of the SEPA and 50% to be paid 90 days after execution of the SEPA, as further detailed in Note 12.

The fair value of the Company's SEPA liability at issuance and through December 31, 2025 was estimated using (i) related to the put option, a Monte Carlo valuation model utilizing various inputs including the Company’s stock price, volatility, risk-free interest rate, expected term of the agreement and expected share draw amount and (ii) for the June 30, 2025 valuation, related to the shares issuable in connection with the SEPA commitment fee, the fair value of the underlying shares, each of which is a Level 3 valuation. The range of significant inputs to the calculation of the fair value of the SEPA liability at issuance through December 31, 2025 were as follows:

		Year ended December 31,
		2025
SEPA Liability		
Stock price[1]	$	0.75 - 1.85
Expected term (in years)		2.40 - 3.00
Expected volatility		198.0% - 205.0%
Risk-free interest rate		3.5% - 3.9%
Expected dividend yield		0.0%

(1) Amounts for the periods presented have been adjusted to reflect the 1-for-4.99 February 2026 Reverse Stock Split. See Note 2 for additional information.

2025 Offering Common Stock Warrants

The following table sets forth a summary of the changes in fair value of the Company's 2025 Offering Common Stock Warrants:

		Year ended December 31,
		2025
Fair value, beginning balance	$	—
Fair value allocation at issuance		20,747,899
Exercises		(34,373,943)
Change in fair value		13,979,204
Fair value, ending balance	$	353,160

The aggregate fair value of the 2025 Offering Common Stock Warrants was estimated using a Monte Carlo simulation based approach, a Level 3 valuation. The range of significant inputs to the calculation of the fair value of the warrant liability related to the 2025 Offering Common Stock Warrants at issuance through December 31, 2025 were as follows:

		Year ended December 31,
		2025
2025 Offering Common Stock Warrants:		
Stock price[1]	$	0.6961 - 0.7944
Expected term (in years)		4.70 - 5.00
Expected volatility		144.0% - 145.0%
Risk-free interest rate		3.6% - 3.7%
Expected dividend yield		0.0%

(1) Amounts for the periods presented have been adjusted to reflect the 1-for-4.99 February 2026 Reverse Stock Split. See Note 2 for additional information.

Junior Note Warrants

The following table sets forth a summary of the changes in fair value of the Company's Junior Note Warrants issued in November 2023:

	Year ended December 31,			
	2025		2024	
Fair value, beginning balance	$	128,615	$	2,238,519
Change in fair value		(84,374)		(2,109,904)
Fair value, ending balance	$	44,241	$	128,615

The aggregate fair value of the Junior Note Warrants was estimated using a Monte Carlo simulation based approach, a Level 3 valuation. The range of significant inputs to the calculation of the fair value of the Junior Note Warrant liability during the periods presented were as follows:

	Year Ended December 31,			
	2025		2024	
Junior Note Warrants:				
Stock price[1]	$	0.75 - 1.75	$	0.15 - 3.34
Expected term (in years)		2.9 - 4.4		3.9 - 4.9
Expected volatility		62.4% - 193.0%		58.9% - 79.6%
Risk-free interest rate		3.7% - 3.9%		3.6% - 4.3%
Expected dividend yield		0.0%		0.0%

(1) Amounts for the periods presented have been adjusted to reflect the 1-for-4.99 February 2026 Reverse Stock Split. See Note 2 for additional information.

Claims Settlement Liability

The following table sets forth a summary of the changes in fair value of the Company's Claims Settlement liability:

	Year ended December 31, 2025
Fair value, beginning balance	$ —
Fair value at issuance	9,627,408
Common Stock issued	(7,432,488)
Loss on settlement of claims liability, net	395,379
Change in fair value	(2,584,724)
Fair value, ending balance	$ 5,575

The fair value of the Company's Claims Settlement liability at issuance and as of December 31, 2025 was estimated using a Monte Carlo valuation model utilizing various inputs including the Company's stock price, volatility, risk-free interest rate, expected term of the agreement and expected share amount. The range of significant inputs to the calculation of the fair value of the claims settlement liability at issuance and December 31, 2025 were as follows:

	Year ended December 31, 2025
Claims Settlement Liability	
Stock price[(1)]	$ 0.75 - 1.55
Expected term (in years)	0.50 - 0.70
Expected volatility	143.1% - 213.4%
Risk-free interest rate	3.8% - 4.2%

(1) Amounts for the periods presented have been adjusted to reflect the 1-for-4.99 February 2026 Reverse Stock Split. See Note 2 for additional information.

August 2024 Convertible Note Derivative Liability

In March 2025, the remaining August 2024 Convertible Notes were purchased by Indigo Capital and subsequently extinguished. For additional information, see Note 9.

The following table sets forth a summary of the changes in fair value of the Company's August 2024 Convertible Note Derivative Liability:

	Year ended December 31,	
	2025	2024
Fair value, beginning balance	$ 37,900	$ —
Initial recognition at fair value	—	179,000
Change in fair value	—	(141,100)
Extinguishment of August 2024 Convertible Notes	(37,900)	—
Fair value, ending balance	$ —	$ 37,900

NOTE 6. CONVERTIBLE NOTE RECEIVABLE (RELATED PARTY)

On March 14, 2025, the Company entered into a convertible note receivable with Supply@ME Capital Plc ("SYME") to invest up to $5,150,000 in SYME (the "Convertible Note Receivable"). SYME is a fintech platform focused on Inventory Monetisation© solutions for manufacturing and trading companies. The Convertible Note Receivable bears interest at 14.33% per annum, accruing daily, and any outstanding interest due at each conversion date is to be repaid in ordinary shares of SYME at a fixed conversion ratio of £0.00003 per ordinary share (the "Conversion Price"). Upon conversion, the Company is expected to hold a controlling interest in SYME. Following approval by SYME stockholders, the Financial Conduct Authority, and The Panel on Takeovers and Mergers, the Company may convert amounts outstanding under the Convertible Note Receivable into ordinary shares of SYME at the Conversion Price, with the U.S. dollar-denominated balance first converted into pounds sterling at a fixed exchange rate of 0.7469 prior to application of the Conversion Price, with conversion shares accompanied by a warrant to acquire one additional ordinary share of SYME for every two ordinary shares of SYME issued on any conversion, with an exercise price of £0.000039, as well as the ability to exercise on a cashless basis. The Convertible Note Receivable is repayable in part or in full on demand after the earlier of an event of default or December 31, 2026, and, once the required approvals are obtained, any such repayment on demand may be required to be effected by conversion rather than cash. If the required approvals have not been obtained by June 30, 2026, SYME must within 20 days grant specified security in favor of the Company and continue pursuing the approvals. Our Executive Chairman and Co-Chief Executive Officer is the founder, current Chief Executive Officer and a director of SYME, and as a result, the proposed investment was negotiated and approved by our independent board members and our Audit Committee.

Certain conversion features of the Convertible Note Receivable would typically be considered derivatives that would require bifurcation. In lieu of bifurcating various features in the agreement, the Company elected the fair value option for the Convertible Note Receivable. During March 2025, the excess of the issuance date fair value of $260,000 of the Convertible Note Receivable over the proceeds paid of $150,000 was recorded to additional paid-in capital. As of December 31, 2025, the fair value of the Convertible Note Receivable was $2,585,100, and the principal amount of the Convertible Note Receivable was $5,150,000. Additionally, accrued interest as of December 31, 2025 under the Convertible Note Receivable was $233,498, which is included in prepaid expenses and other current assets on the consolidated balance sheet.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Operating Lease

The Company leased approximately 27,900 square feet of office space in Centennial, Colorado under a noncancelable operating lease agreement. The original term of the lease was set to expire in December 2024, however, in November 2023, the Company elected to extend the lease through June 2025. As further described in Note 3, the Company was in default under its lease, and the Landlord pursued available remedies in advance of the lease term that expired in June 2025. As such, the Company (i) wrote down its inventory to a net realizable value of zero, (ii) wrote down the carrying value of its property and equipment, all of which was at the leased location, to a net book value of $0, and (iii) fully impaired the right-of-use asset associated with this lease, as the Company could no longer use the leased premises, each of which is recorded within loss on impairment of inventories, property and equipment and operating lease right-of-use asset on the consolidated statement of operations for the year ended December 31, 2025. See Note 3 for additional information.

During the year ended December 31, 2025, the Company reached a settlement agreement with the Landlord in the amount of $130,000, which was paid in October 2025, effectively settling the liability. As a result of the settlement, the Company recorded a gain of $146,132, which is reflected in other gain (loss), net on the consolidated statement of operations for the year ended December 31, 2025.

In connection with the default under the lease described above, the Company recorded an impairment of $150,077 to reduce the right-of-use asset to zero, which is recorded within loss on impairment of inventories, property and equipment and operating lease right-of-use asset on the consolidated statement of operations for the year ended December 31, 2025.

Operating lease cost was $71,557 and $411,751 for the year ended December 31, 2025 and 2024, respectively, and is included within general and administrative expenses within the consolidated statement of operations.

Liqueous Settlement Agreement

In January 2025 and April 2025, in connection with a settlement and mutual release agreement entered into between the Company and Liqueous LP (“Liqueous”) (the "Liqueous Settlement Agreement"), as amended, the parties provided an immediate mutual release of claims and obligations through payments from Liqueous to the Company in an aggregate $1,450,000, of which $1,000,000 was paid during the first quarter of 2025. Such payment was made in connection with the issuance of the remaining 1,840,999 shares issued to extinguish an aggregate $411,865 of principal and accrued interest under the Junior Notes and, accordingly, reduced the loss on extinguishment of notes payable recorded in the year ended December 31, 2025. In April 2025, the Company received $300,000 of the remaining $450,000 agreed upon under the Liqueous Settlement Agreement, which was recorded within other income (loss), net as a gain on settlement during the year ended December 31, 2025. Additionally, in September 2025, the Company received $40,000 under the Liqueous Settlement Agreement. As of December 31, 2025, the Company determined the $110,000 receivable to be uncollectible and wrote off the receivable, resulting in a loss of the same amount, which is reflected in other gain (loss), net on the consolidated statement of operations for the year ended December 31, 2025.

Legal Proceedings

In the normal course of business, the Company may become involved in legal proceedings. The Company will accrue a liability for legal proceedings when it is probable that a liability has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued.

During the year ended December 31, 2025, the Company was subject to five separate actions seeking default judgments for the alleged failure to pay amounts when due. CFGI, LLC obtained a default judgment in March 2025 in the amount of $86,826 through the Superior Court of the Commonwealth of Massachusetts. The default judgment obtained by CFGI, LLC was paid in full in September 2025 by Silverback in accordance with the Silverback Claims Settlement, which was approved by the state court under Section 3(a)(10) of the Securities Act. FICTIV, Inc. obtained a default judgment through the Superior Court of California on January 30, 2025 in the amount $197,899, which was subsequently paid by the Company on September 23, 2025. The Landlord obtained a default judgment in the Arapahoe County Colorado District Court in April 2025 in the amount of $409,278, which accrued interest at a rate of 10% per annum beginning in March 2025 until paid in full. The Company settled the default judgment with a payment of $130,000 to the Landlord on October 14, 2025. See additional details regarding the Landlord default judgment in Note 1. In August 2025, ficonTEC, Inc. obtained a default judgment through the Arapahoe County Colorado District Court in the amount of $394,274 with post judgment interest accruing at 8% per annum. The Company settled the default judgment with ficonTEC, Inc. on October 13, 2025. In August 2025, Corporation for International Business obtained a default judgment through the Circuit Court of Cook County, Illinois, in the amount of $30,379.

On September 19, 2025, J.H. Darbie & Co., Inc. (“Darbie”) filed a claim in the U.S. District Court of the Southern District of Florida, West Palm Beach Division, alleging breach of contract under a Finder’s Fee Agreement entered into between the Company and Darbie in May 2024 and under a Financial Advisory Agreement, dated June 10, 2024, between the parties. Darbie was seeking, among other things, damages in the amount of the fee payments allegedly owed to Darbie, specific performance requiring the Company to issue warrants to Darbie, attorney’s fees and costs. Darbie voluntarily dismissed the lawsuit due to lack of jurisdiction in Florida on January 7, 2026. On March 10, 2026, Darbie initiated an arbitration in FINRA’s dispute resolution forum.

Purchase Commitments

As of December 31, 2025 and 2024, the Company had nil and $466,798, respectively, in outstanding firm purchase commitments to acquire inventory and research and development parts from suppliers for the Company's ongoing operations. The Company's purchase commitments do not reflect any liabilities that are included in its December 31, 2025 consolidated balance sheet.

Related Party Transactions

Ron Nicol, who was the Executive Chairman of the Company's board of directors through January 2025, paid director and officer insurance premiums of approximately $1,500,000 on behalf of the Company because the Company did not have available cash to pay such amounts when due. The Company is obligated to repay such amount to Mr. Nicol, without interest or other charges. In December 2025, the Company reached a settlement agreement with Mr. Nicol, in which the Company paid Mr. Nicol $1,162,704, with the resulting gain of $290,676 recorded in loss on extinguishment of accounts payable on the consolidated statement of operations for the year ended December 31, 2025.

In January 2025, the Company issued the TAG Promissory Note to The AvantGarde Group ("TAG"), which is founded and owned by the Company's Executive Chairman and Co-Chief Executive Officer, Mr. Zamboni, as a replacement of a previously recorded shareholder advance. Mr. Zamboni transferred the TAG Promissory Note to Vanguard and subsequently converted the TAG Promissory Note into shares of Common Stock during the year ended December 31, 2025. For additional information, see Note 9.

In April 2025, in connection with the TCEI Acquisition, as defined below, the Company issued the AZ Promissory Note to Mr. Zamboni, which Mr. Zamboni subsequently transferred to Vanguard and converted into shares of Common Stock during the year ended December 31, 2025. For additional information, see Note 9.

Fraudulent Wire Transfer

In October 2025, the Company was the victim of email fraud due to its receiving an invoice from a criminal actor posing as its financial advisor and the Company's paying the invoice amount to the criminal actor's bank account based on the falsified wiring instructions. As a result, the Company incurred a loss of $1,005,352, which was recorded within loss on fraudulently induced wire transfer on the consolidated statement of operations for the year ended December 31, 2025. The Company pursued recovery of this amount with the banks involved in the wire transfer and its insurance carrier, but at this time it does not expect that it will be able to recover such funds.

Acquisition and Joint Venture Plans

Initial Commitment Letter related to Tekne and Orbit (Related-Party)

On February 19, 2025, the Company entered into a commitment letter (the "Trumar Agreement") with Trumar Capital LLC ("Trumar") to acquire, through the purchase of the shares of TCEI S.a.r.l., a wholly owned subsidiary of Trumar ("TCEI") (the "TCEI Acquisition"): (i) a license of certain technology that would allow it to expand its existing business within the defense sector; (ii) a controlling interest in Tekne; and (iii) a controlling interest in Orbit, which is wholly-owned by the Company's Executive Chairman and Co-Chief Executive Officer.

The TCEI Acquisition was expected to occur in two stages. In the first stage, which was completed in March 2025, the Company purchased a 20% ownership interest in TCEI for an aggregate price of $1,500,000 in cash plus $23,500,000 in a note payable. The note payable was not recorded because it was cancellable if the second stage of the TCEI Acquisition was not completed by July 31, 2025. Because certain conditions were not satisfied by July 31, 2025, the note payable was cancelled during the third quarter of 2025. Of the $1,500,000 cash portion of the purchase price, $600,000 was paid in cash and $900,000 was retained by the Company, with a corresponding related-party promissory note, the AZ Promissory Note described above and in Note 9, to the Company's Executive Chairman and Co-Chief Executive Officer. In July 2025, the AZ Promissory Note was amended to provide for a conversion feature and was subsequently fully converted into shares of Common Stock in December 2025, as further described in Note 9. The $900,000 retained by the Company was used as a portion of the non-cash consideration related to the Advance Payment of the Orbit Transaction, each as defined and described in Note 4.

For the second stage of the TCEI Acquisition, the Company had planned to purchase the remaining 80% ownership interest in TCEI, resulting in its having a controlling interest in Tekne and Orbit. Since certain conditions were not satisfied, the Trumar Agreement expired on its own terms as of July 31, 2025 and the Company no longer holds any ownership interest in TCEI.

The Company also agreed to issue 1,219,832 shares of Common Stock to S.F.E. Equity Investments SARL ("SFE EI") as consideration for SFE EI's escrowing approximately $4,200,000 in assets for purposes of guaranteeing its performance obligations in connection with the TCEI Acquisition, subject to any required shareholder approval.

Tekne letter signed in August 2025 ("August Letter")

In response to feedback from the Italian government in connection with its "Golden Power" review of the Company's proposed acquisition (directly or indirectly) of a controlling interest in Tekne, on August 27, 2025, the Company executed a commitment letter (the "August Letter") with shareholders of Tekne, pursuant to which the Company modified the terms of the Company's previously announced phased acquisition of a 70% interest in Tekne. The Company expected to acquire (i) an initial 3% equity interest in Tekne and (ii) the remaining 67% interest in Tekne by the end of 2025. Based on a third-party valuation, the August Letter also established an enterprise value of Tekne at $60,000,000, with the 70% interest to be acquired by the Company derivatively valued at approximately $42,000,000. To address matters raised in the Golden Power review, the Company agreed to assist with financing up to €40,500,000 for Tekne's working capital needs over the next 12 months through August 2026. The rights and obligations of Tekne and the Company under the August Letter were subsequently replaced in their entirety by the Tekne Letter entered into in November 2025 and described below.

In September 2025, in connection with its investment in Tekne, the Company deposited approximately $875,000 as cash collateral with a financial institution to secure the issuance of two irrevocable standby letters of credit. These standby letters of credit facilitate a third-party bank's issuance of local demand performance bonds guaranteeing Tekne's performance under two existing supply contracts with a foreign government ministry. The maximum potential future payments under the guarantee total €663,076 (approximately $773,000), representing the aggregate face value of the two performance bonds. The local performance bonds expire on June 30, 2026, with the underlying standby letters of credit expiring on August 31, 2026.

In December 2025, the documentary letters of credit underlying the two supply contracts were amended to extend expiry to December 30, 2026, with latest shipment dates of September–October 2026. As the supply contracts remain active beyond the current performance bond expiry, the Company expects the performance bonds and standby letters of credit to be correspondingly extended. The performance bonds contain an "extend or pay" provision under which the issuing bank is obligated to pay the full guarantee amount to the beneficiary if the supplier fails to extend the guarantee prior to expiry. If the standby letters of credit are extended, the Company's cash collateral will remain restricted beyond August 2026 for the duration of the extended guarantee period.

Tekne letter of intent signed in November 2025 (“Tekne Letter”)

In November 2025, the Company, Tekne and shareholders of Tekne executed a letter of intent (the “November Letter”) that replaced the rights and obligations of the parties under the August Letter. Under the November Letter, the parties planned to establish a “Contratto di Rete” (the “Network Contract”), which is a specific form of joint-venture contractual agreement under Italian law. Under the November Letter, the Company also agreed to provide financial support to Tekne by utilizing the Supply@ME (SYME) platform to facilitate an inventory monetization program, and providing a convertible debt facility (the “Tekne Convertible Receivable”) upon the signing of the Network Contract. Such facility was conditioned on the Company being permitted to acquire an initial 2.9% interest in Tekne. In connection with the above, the Company paid $1,179,686 during the fourth quarter of 2025 to Tekne as an advance of the Tekne Convertible Receivable, which is recorded within advance on Tekne Convertible Receivable on the consolidated balance sheet as of December 31, 2025.

In December 2025, in connection with the expiration of the Trumar Agreement, the Company agreed to reimburse TCEI $735,000 of certain expenses and costs incurred, of which $585,000 was paid in cash and $150,000 was settled through the reduction of a receivable, which is recorded within general and administrative on the consolidated statement of operations for the year ended December 31, 2025.

For additional information on the Company’s transactions with Tekne during 2026, see Note 17.

SYME Strategic Investment (Related Party)

SYME and its operating subsidiaries provide its platform for use by manufacturing and trading companies to access inventory trade solutions, enabling their businesses to generate cashflow, through a non-credit arrangement and without incurring debt. This is achieved by their existing eligible inventory being added to the platform and then monetised through purchases by third-party inventory funders. The inventory to be monetised can include warehoused goods waiting to be sold to end-customers or goods that are part of a typical import/export transaction.

During the year ended December 31, 2025, in connection with the inventory monetization program discussed above, the Company advanced $5,668,545 to a special purpose vehicle (“SPV”) affiliated with SYME (the “SYME Inventory Advance”), pursuant to advance payment letters in connection with a proposed subscription of a financial instrument to be issued by the SPV with the aim of monetizing the inventory of Tekne. On March 12, 2026, the Company entered into a bond subscription agreement (the “SYME 3” Agreement”) with Supply@ME Stock Company 3 S.r.l. ("SYME 3"), an affiliate of SYME. For additional information, see Note 17. As of December 31, 2025, the advance is recorded within SYME inventory advance on the Company’s consolidated balance sheet.

Maddox Joint Venture

On October 22, 2025, the Company entered into a non-binding Strategic Framework Agreement (the “SFA”), among the Company, Nuburu Defense and Maddox Defense Incorporated (“Maddox”), pursuant to which the Company and Maddox plan to establish a joint venture company (the “Maddox JV”) focused on dual-use UAV solutions and deployable additive-manufacturing capabilities, supporting forward-deployed production, sustainment, and defense manufacturing-as-a-service models for military and allied customers. The parties intend for Nuburu Defense to contribute up to $10,000,000 in funding while Maddox contributes eligible assets, intellectual property, expertise and personnel. The value of Maddox’s eligible assets would be evaluated by a formal appraisal process in accordance with Italian law. The equity ownership of the Maddox JV would be determined proportionally based on the ratio of the Company's capital commitment compared to the value of Maddox’s eligible assets evaluation; provided, that, Nuburu Defense would have the controlling interest in the Maddox JV. The SFA includes a six-month exclusivity period and has a term of six months, unless earlier terminated by either party upon 30 days written notice. For information on the definitive agreement entered into among the Company, Nuburu Defense and Maddox in February 2026, see Note 17.

NOTE 8. REVENUE

The Company’s primary revenue-generating activity involves sales of high-powered lasers and related installation services. The Company has sales to customers throughout the U.S., Europe, and Asia. All sales are settled in U.S. dollars.

The following table presents revenue from contracts with customers disaggregated by geography:

	Year ended December 31,	
	2025	2024
United States	$ —	$ 24,300
Asia	—	9,112
Europe	—	118,715
Total	$ —	$ 152,127

The following table presents revenue from contracts with customers disaggregated by the timing of revenue recognition:

	Year ended December 31,	
	2025	2024
Revenue recognized at a point in time	$ —	$ 152,127
Revenue recognized over time	—	—
Total	$ —	$ 152,127

Contract liabilities consist of customer deposits that are applied to invoices as the performance obligation is performed. Accounts receivable and contract liabilities as of December 31, 2025 and 2024 were as follows on the dates presented:

	Accounts Receivable	Contract Liabilities
January 1, 2024	$ 482,279	$ 30,400
December 31, 2024	—	24,000
December 31, 2025	—	—

During the years ended December 31, 2025 and 2024, the Company recognized nil and $30,400 of revenue that was included in the contract liabilities balance at the beginning of the reporting period, respectively. During 2025, the Company reached a settlement with a customer to settle the contract liability of $24,000 through a payment of $12,000. The resulting $12,000 gain was recorded in loss on extinguishment of accounts payable on the consolidated statement of operations for the year ended December 31, 2025.

NOTE 9. NOTES AND CONVERTIBLE NOTES PAYABLE

As of December 31, 2025 and 2024, the Company's outstanding debt consisted of the following:

	As of December 31,	
	2025	2024
Current portion of notes payable:		
December 2025 YA Debenture	$ 25,255,308	$ —
Indigo Capital Convertible Notes	51,059	—
AZ Promissory Note (related party)	—	—
TAG Promissory Note (related party)	—	—
Diagonal Convertible Notes	285,662	—
Agile Note	8,140	—
Brick Lane Convertible Notes	191,179	—
Bomore Convertible Notes	48,169	—
Boot Convertible Note	—	—
Torcross Convertible Note	24,084	—
Liqueous Obligation	10,545	1,053,824
Senior Convertible Notes Issued June 2023	—	4,683,069
Junior Notes Issued November 2023	—	2,369,122
August 2024 Convertible Notes	—	537,375
Additional August 2024 Convertible Notes	—	687,315
Unamortized debt discount and deferred financing costs	—	(88,522)
Current portion of notes payable	$ 25,874,146	$ 9,242,183

Junior Notes Issued November 2023

On November 13, 2023, the Company entered into Note and Warrant Purchase Agreements (the "Junior Note Purchase Agreements") with the lenders identified therein (the "Lenders") providing for (i) zero-interest promissory notes, issued with a 10% original issue discount, in the aggregate principal amount of $5,500,000 (the "Junior Notes"), and (ii) warrants ("Junior Note Warrants," refer to Note 10), exercisable for an amount of the Company's Common Stock equal to 100% of the principal amount of the Junior Notes (limited to an aggregate of 19.9% of the Company's outstanding Common Stock until such time as the transaction is approved by the Company's stockholders), which are exercisable for $24.95 per share of the Company's Common Stock (subject to adjustments noted in the Junior Note Purchase Agreements).

The Junior Notes were junior and secured by the Company's patent portfolio pursuant to a security agreement among the parties (the "Security Agreement"). The terms of the Junior Notes provided that they would mature on the earlier of: (i) the Company closing a credit facility in principal amount of at least $20,000,000, (ii) a Sale Event (as defined in the Junior Note Purchase Agreements), or (iii) twelve months after issuance. The Junior Notes contained customary events of default. Because the Junior Notes had not been repaid within six or nine months after issuance, the Junior Notes began to bear interest at the Secured Overnight Financing Rate (“SOFR") rate plus 9% and at the SOFR rate plus 12%, respectively, and additional 25% warrant coverage was required at each such date, with a per share exercise price equal to 120% of the trading price of the Company's Common Stock at the time of issuance and a redemption right in favor of the Company when the trading price of the Common Stock was greater than 200% of the applicable exercise price for 20 out of any 30 consecutive trading days. Shares of Common Stock issuable upon exercise of the Junior Note Warrants are limited to an aggregate of 19.9% of the Company's outstanding Common Stock until such time as the transaction is approved by the Company's stockholders. The obligations under the Junior Notes were extinguished in connection with the Foreclosure (defined below).

Refer to Note 11 for the Company's accounting for the Junior Note Warrants. As a result of that accounting, the Junior Notes contain the original issue discount of $500,000 as well as the discount associated with the Junior Note Warrant liability of $2,668,169. The discount will be amortized over the term of the Junior Notes in accordance with FASB ASC 835 - *Interest.*

Extinguishments

During the year ended December 31, 2025, the Company issued 1,840,999 shares to noteholders to extinguish an aggregate $411,865 of principal and accrued interest under the Junior Notes. The reacquisition value of the debt was higher than the related carrying value, and thus resulted in an aggregate net loss on extinguishment of notes payable of $1,174,519 recorded in the consolidated statement of operations.

During the year ended December 31, 2024, the Company issued 3,358,847 shares to noteholders to extinguish $3,540,019 of principal as well as interest accrued on the Junior Notes. The reacquisition value of the debt was higher than the related carrying value, and thus resulted in a loss on debt extinguishment of $15,272,677 recorded in the consolidated statement of operations for the year ended December 31, 2024.

See Foreclosure collateral sale further below in this Note 9 for discussion of the extinguishment of the remaining Junior Notes on March 5, 2025.

Related Parties

The table below summarizes the outstanding principal amount of the Junior Notes to related parties:

	As of December 31,	
Noteholder	**2025**	**2024**
David Seldin[(1)]	$ —	$ 762,211
Eunomia, LP[(2)]	—	1,100,000
Total Junior Notes - related parties	$ —	$ 1,862,211

(1) David Seldin was a member of the Legacy Nuburu board of directors and at the time of the issuance was the sole manager of Anzu Nuburu LLC, Anzu Nuburu II LLC, Anzu Nuburu III LLC and Anzu Nuburu V LLC (the "Anzu SPVs"), which at that time owned more than 5% of Legacy Nuburu's capital stock.

(2) Ron Nicol, manager of Eunomia, LP, was the Executive Chairman of the Company's board of directors through January 2025.

Junior Notes Issued August 2024 (the "August 2024 Convertible Notes")

On August 6, 2024 and August 19, 2024, the Company entered into a subordinated convertible note agreement (the "August 2024 Convertible Note Agreement") with Esousa Group Holdings LLC ("Esousa") for the sale of convertible notes (the "August 2024 Convertible Notes") in the aggregate principal amount of $673,000, issued at a discount of $25,000. The August 2024 Convertible Notes bore interest at 15% per annum, with principal and accrued interest due at maturity on February 6, 2025, unless earlier paid or converted into Common Stock. The notes were prepayable at any time prior to the maturity date without penalty. Upon the occurrence and continuance of an event of default or spin-off of a subsidiary, a default interest rate of an additional 5% per annum could be applied to any outstanding borrowings (in the case of an event of default only) and the investor could declare all outstanding principal plus accrued interest immediately due. Additionally, at any point after issuance, the investor had the option to convert the August 2024 Convertible Notes into Common Stock at the lower of (i) a fixed price of $10.13 or (ii) 80% of the lowest daily volume weighted-average price in the 10 trading days prior to such conversion date, subject to certain adjustments. Issuances of Common Stock on conversion were (i) subject to approval by NYSE American of a supplemental listing application, (ii) limited to an amount equal to 19.9% of the outstanding Common Stock as of the date of execution, until such time as the transaction was approved by stockholders and (iii) required to be registered with the SEC for resale.

The Company determined that the conversion and share-settled redemption features, as well as the automatic increase in interest rate upon an event of default feature, of the August 2024 Convertible Notes were embedded derivatives that were required to be bifurcated from the host instrument and accounted for as embedded derivative instruments, which the Company compounded (the "August 2024 Convertible Note Derivative Liability"). As the Company did not elect the fair value option for the August 2024 Convertible Notes, the proceeds from the August 2024 Convertible Notes were allocated to the initial fair value of the August 2024 Convertible Note Derivative Liability, which was determined to be $179,000, with the residual balance allocated to the initial carrying value of the August 2024 Convertible Notes host instrument. For additional information related to the fair value of the August 2024 Convertible Note Derivative Liability, see Note 5.

The Company incurred $114,800 in deferred financing costs for legal fees related to the issuance of the August 2024 Convertible Notes. Additionally, in connection with the issuance of the August 2024 Convertible Notes, the Company issued warrants to a financial services firm as compensation for their services performed, the fair value of which was determined to be $40,657 and was recorded as a deferred financing cost. For additional information regarding these warrants, see Note 11.

Concurrent with the above, Esousa also purchased $687,315 of outstanding principal and accrued interest under the Senior Convertible Notes (as defined below) from an existing investor and subsequently exchanged such notes for subordinated convertible notes (the "Additional August 2024 Convertible Notes"). The Additional August 2024 Convertible Notes could be prepaid at any time without penalty, did not accrue interest, matured on February 6, 2025 and could be converted at any time on or after the issuance date into Common Stock at a conversion price of 25% of the closing price of the Common Stock on the trading day prior to such conversion date, subject to certain adjustments.

The August 2024 Convertible Notes and Additional August 2024 Convertible Notes were unsecured and subordinated to the Company's outstanding Senior Convertible Notes and Junior Notes in right of payment, whether in respect to payment or redemptions, interest, damages, upon liquidation or dissolution or otherwise.

Extinguishments

During the year ended December 31, 2025, the Company issued 376,477 shares to Esousa to extinguish an aggregate $389,375 of principal and accrued interest under the August 2024 Convertible Notes. The reacquisition value of the debt was higher than the related carrying value, and thus resulted in an aggregate net loss on extinguishment of notes payable of $2,123,403 recorded in the consolidated statement of operations.

In March 2025, the remaining August 2024 Convertible Notes were purchased by Indigo Capital and subsequently extinguished, as further described below. The transaction resulted in a loss on extinguishment of notes payable of $12,303 associated with the extinguishment of these notes.

Senior Convertible Notes Issued June 2023

On June 12, 2023 and June 16, 2023, the Company entered into Note and Warrant Purchase Agreements (the “Senior Convertible Note Purchase Agreements”) with certain investors (each, an “Investor”) for the sale of (i) convertible promissory notes (“Senior Notes" or "Senior Convertible Notes”) in the aggregate principal amount of $9,225,000, and (ii) warrants (“Senior Note Warrants," refer to Note 10) to purchase up to 57,710 shares of the Company’s Common Stock from the June 12, 2023 Senior Convertible Note Purchase Agreement and up to 9,467 shares of Common Stock from the June 16, 2023 Senior Convertible Note Purchase Agreement.

The Senior Convertible Notes were senior, secured obligations of the Company, which became secured by the Company's patent portfolio per the Security Agreement as of November 2023, bore interest at the rate of 7.0% per annum, and were payable on the earlier of June 23, 2026 or the occurrence of an Event of Default, as defined in the Senior Convertible Notes. The Senior Convertible Notes were senior to the Junior Notes pursuant to an intercreditor agreement between the parties. The Senior Convertible Notes could be converted at any time following June 23, 2023 and prior to the payment in full of the principal amount of the Senior Convertible Notes at the Investor’s option.

As further described above, during August 2024, $687,315 of outstanding principal and accrued interest under the Senior Convertible Notes was purchased by another investor and subsequently exchanged for the issuance of a subordinated convertible note.

On December 16, 2024, the Lead Investor (as defined in the agreement governing the Senior Convertible Notes) issued a notice of default and acceleration, as well as a demand for payment, to the Company as a result of the failure of the Company to make certain required repayments under existing debt obligations, which constituted an event of default under the terms of the Senior Convertible Notes. The obligations under the Senior Convertible Notes were extinguished in connection with the Foreclosure (defined below).

Extinguishments

During the year ended December 31, 2024, the Company issued 495,846 shares to noteholders to extinguish $2,105,451 of principal as well as interest accrued on the Senior Convertible Notes. The reacquisition value of the debt was higher than the related carrying value, and thus resulted in a loss on debt extinguishment of $5,144,308 recorded in the consolidated statement of operations for the year ended December 31, 2024.

See Foreclosure collateral sale further below in this Note 9 for discussion of the extinguishment of the remaining Senior Convertible Notes on March 5, 2025.

Related Parties

The table below summarizes the outstanding principal amount of the Senior Convertible Notes to related parties:

	As of December 31,	
Investor	**2025**	**2024**
Wilson-Garling 2023 Family Trust[(1)]	$ —	$ 5,138,055
Eunomia, LP[(2)]	—	1,027,611
Curtis N Maas Revocable Trust[(3)]	—	102,761
Total Senior Convertible Notes - related parties	$ —	$ 6,268,427

(1) Thomas J. Wilson, an affiliate of Wilson-Garling 2023 Family Trust, was a member of the Legacy Nuburu board of directors.

(2) Ron Nicol, manager of Eunomia, LP, was the Executive Chairman of the Company’s board of directors through January 2025.

(3) Curtis Maas, an affiliate of the Curtis N Maas Revocable Trust, was a member of the Legacy Nuburu board of directors.

Foreclosure Collateral Sale

On March 5, 2025, as part of the foreclosure process initiated by the Lead Investor (the "Foreclosure"), the lenders holding the outstanding Senior Convertible Notes held an auction for the sale of collateral securing the Company's repayment obligations, which resulted in such lenders taking possession of such collateral in exchange for a full discharge and extinguishment of the Company's $8,961,872 of indebtedness with respect to the Junior Notes and Senior Convertible Notes, as well as a loss on extinguishment of the Senior Convertible Notes of $1,682,641, of which $27,139 of this loss relates to related parties. The extinguishment of the Junior Notes did not result in a gain or loss on extinguishment as the proceeds deemed to be received by the holders of the Junior Notes in connection with the Foreclosure approximated the carrying value of the Junior Notes and all issuance costs were fully amortized. The loss on extinguishment of the Senior Convertible Notes is included within loss on extinguishment of notes payable within the consolidated statement of operations for the year ended December 31, 2025.

Liqueous Obligation

In October 2024, the Company and Liqueous agreed to terms where the Company borrowed $1,053,824 from Liqueous (the "Liqueous Obligation"). The Liqueous Obligation was subordinated to the Company's other outstanding debt instruments, accrued interest at 8% per annum and matured in October 2025. The Liqueous Obligation was prepayable at any time prior to the maturity date without penalty. Upon an event of default, the investor could require all outstanding and accrued interest immediately due and payable.

In February 2025, in connection with the Liqueous Settlement Agreement, as amended, the Company agreed to issue 1,283,813 pre-funded warrants exercisable into Common Stock, which included a nominal exercise price, to extinguish the Liqueous Obligation. In April 2025, through an additional amendment to the Liqueous Settlement Agreement, the Company agreed to settle the Liqueous Obligation through the issuance of 1,821,836 shares of Common Stock.

During the third quarter of 2025, the Liqueous Obligation was assigned to Redstone Group I LLC ("Redstone") and $1,097,113 of outstanding principal and accrued interest was settled through the issuance of 1,803,608 shares of the Company's Common Stock to Redstone, resulting in a loss on extinguishment of notes payable of $424,887 included in the consolidated statement of operations for the year ended December 31, 2025 and an increase to additional paid-in capital of $1,519,152.

TAG Promissory Note (Related Party)

In January 2025, the Company issued a promissory note in a principal amount of $545,000 (the "TAG Promissory Note") to The AvantGarde Group ("TAG"), which is founded and owned by the Company's Executive Chairman and Co-Chief Executive Officer, as a replacement of a previously recorded shareholder advance. The TAG Promissory Note is subordinated to the Company's other outstanding debt instruments at the time of issuance, accrues interest beginning October 28, 2025 at SOFR plus a margin of 10% per annum and matures in January 2026, which may be extended by six months at the election of the Company if the Company does not have at least $2,500,000 in available cash at the maturity date. The note is prepayable at any time prior to the maturity date without penalty. Upon an event of default, all outstanding principal and accrued interest is immediately due and payable.

In July 2025, following stockholder approval, the TAG Promissory Note was amended to permit TAG to convert any outstanding principal and unpaid accrued interest due under the TAG Promissory Note into shares of Common Stock at a conversion price equal to a 33.33% discount to the lowest daily volume weighted average price as reported by Bloomberg L.P. ("VWAP") during the 5 days prior to the conversion date. Certain conversion features of the TAG Promissory Note would typically be considered derivatives that would require bifurcation. The TAG Promissory Note is recorded at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. As the addition of the conversion feature resulted in debt that was considered substantially different, the amendment resulted in a loss on debt extinguishment of $1,094,914 included in the consolidated statement of operations for the year ended December 31, 2025.

In December 2025, TAG transferred its interest in the TAG Promissory Note to Vanguard, a newly-formed Italian limited liability company wholly owned by Alessandro Zamboni.

Extinguishment

In December 2025, the principal and accrued interest outstanding under the TAG Promissory Note was converted, resulting in the issuance of 1,615,337 shares of Common Stock to Vanguard and a reduction in the fair value of the TAG Promissory Note, with a corresponding increase to additional paid-in capital, of $1,281,624 for the year ended December 31, 2025.

AZ Promissory Note (Related Party)

In April 2025, in connection with the TCEI Acquisition described in Note 6, the Company issued a promissory note in a principal amount of $900,000 to the Company's Executive Chairman and Co-Chief Executive Officer (the "AZ Promissory Note"). The AZ Promissory Note is subordinated to the Company's current and future outstanding secured debt instruments issued by an institutional lender and the Series A Preferred Stock, accrues interest beginning July 30, 2025 at 10% per annum, payable monthly after that date, and matures in April 2026. The note is prepayable at any time prior to the maturity date without penalty. The agreement requires immediate repayment of all outstanding principal and accrued interest if the Company is sold or raises more than $100,000,000 through a single issuance or series of related issuances of securities (excluding employee, consultant, or strategic non-fundraising issuances). Upon an event of default, all outstanding principal and accrued interest is immediately due and payable.

In July 2025, following stockholder approval, the AZ Promissory Note was amended to permit the Company's Executive Chairman and Co-Chief Executive Officer to convert any outstanding principal and unpaid accrued interest due under the AZ Promissory Note into shares of Common Stock at a conversion price equal to a 33.33% discount to the lowest daily VWAP during the 5 days prior to the conversion date. Certain conversion features of the AZ Promissory Note would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the AZ Promissory Note at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. As the addition of the conversion feature resulted in debt that was considered substantially different, the amendment resulted in a loss on debt extinguishment of $1,745,201 included in the consolidated statement of operations for the year ended December 31, 2025.

In October 2025, TAG transferred its interest in the AZ Promissory Note to Vanguard.

Extinguishment

In December 2025, the principal and accrued interest outstanding under the AZ Promissory Note was converted, resulting in the issuance of 2,717,188 shares of Common Stock to Vanguard and a reduction in the fair value of the AZ Promissory Note, with a corresponding increase to additional paid-in capital, of $2,155,844 for the year ended December 31, 2025.

Indigo Capital Convertible Notes

March 2025

On March 3, 2025, the Company entered into the following transactions:

- in exchange for a capital infusion of $1,500,000, the Company issued to Indigo Capital LP ("Indigo Capital") a $1,578,495 face amount unsecured, convertible note (the "Indigo Capital Convertible Note"). The Indigo Capital Convertible Note bears no interest for so long as it is not in default and has a March 1, 2026 maturity date and a conversion price equal to a 20% discount to the lowest daily VWAP during the 5 days prior to the conversion date;
- in exchange for the extinguishment of the remaining August 2024 Convertible Notes held by Indigo Capital, which it purchased from Esousa on March 3, 2025, the Company issued to Indigo Capital a $894,708 face amount unsecured, convertible note (the "March Indigo Capital Exchange Convertible Note"). The March Indigo Capital Exchange Convertible Note bears no interest for so long as it is not in default, and has a March 1, 2026 maturity date and a conversion price equal to 33.33% of the lowest VWAP during the 5 days prior to the conversion date.

The convertible notes issued in connection with the above transactions are collectively referred to herein as the "March Indigo Capital Convertible Notes". The terms of the March Indigo Capital Convertible Notes allow the Company to convert at any time after issuance without penalty at the conversion prices discussed above. From and after the occurrence of an event of default, the interest rate under the March Indigo Capital Convertible Notes increases to 15.0%.

Issuances of Common Stock on conversion of the March Indigo Capital Convertible Notes are limited to an amount equal to 19.9% of the outstanding Common Stock as of the date of execution, until such time as the transaction is approved by stockholders. On July 9, 2025, at the Company's annual meeting of stockholders (the “2025 Annual Meeting”), the Company's stockholders approved the issuance of shares on conversion of the March Indigo Capital Exchange Convertible Note in excess of the above 19.99% limit.

The transaction documents contain customary representations, warranties, and covenants, and the notes include customary events of default including, but not limited to, failure to pay amounts due when required, default in covenants, bankruptcy events, and suspension or delisting from trading of the Common Stock on an eligible exchange. The Company is also obligated to register, and has registered, for resale the shares issuable upon conversion of the notes.

Certain conversion features of the March Indigo Capital Convertible Notes would typically be considered derivatives that would require bifurcation. The March Indigo Capital Convertible Notes are recorded at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. The excess of the initial fair value of $2,207,800 of the March Indigo Capital Convertible Notes over the proceeds received was recorded as a loss on issuance of notes payable on the consolidated statement of operations of $707,800 during the year ended December 31, 2025. The excess of the initial fair value of $3,003,300 of the March Indigo Capital Exchange Convertible Note over the carrying amount of the August 2024 Convertible Notes was recorded as a loss on debt extinguishment on the consolidated statement of operations of $2,123,403 during the year ended December 31, 2025. Transaction costs of $20,000 were expensed as incurred and included in the consolidated statements of operations as a component of general and administrative expenses during the year ended December 31, 2025.

April 2025

On April 22, 2025, the Company entered into the following transactions:

- in exchange for a capital infusion of $1,350,000, the Company issued to Indigo Capital a $1,421,053 face amount unsecured, convertible note (the "April Indigo Capital Convertible Note"). The April Indigo Capital Convertible Note bears no interest for so long as it is not in default, has an April 21, 2026 maturity date and a conversion price equal to the lowest VWAP during the 5 days prior to the conversion date;
- in exchange for the extinguishment of an existing unsecured promissory note of the Company with a $2,003,097 face amount, the Company issued to Indigo Capital a $2,108,523 face amount unsecured, convertible note (the "April Indigo Capital Exchange Convertible Note") that bears no interest for so long as it is not in default, has an April 21, 2026 maturity date and a conversion price equal to the lowest VWAP during the 5 days prior to the conversion date.

The convertible notes issued in connection with the above transactions are collectively referred to herein as the "April Indigo Capital Convertible Notes", collectively with the March Indigo Capital Convertible Notes, the "Indigo Capital Convertible Notes". The terms of the April Indigo Capital Convertible Notes allow the Company to convert at any time after issuance without penalty at the conversion prices discussed above. From and after the occurrence of an event of default, the interest rate under the April Indigo Capital Convertible Notes increases to 15.0%.

The April Indigo Capital Convertible Notes are subordinate to the currently outstanding Series A Preferred Stock, solely with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

Issuances of Common Stock on conversion of such notes are limited to an amount equal to 19.9% of the outstanding Common Stock as of the date of execution, until such time as the transaction is approved by stockholders. At the 2025 Annual Meeting, the Company's stockholders approved the issuance of shares on conversion of the April Indigo Capital Convertible Notes in excess of the above 19.99% limit.

The transaction documents contain customary representations, warranties, and covenants, and the notes include customary events of default including, but not limited to, failure to pay amounts due when required, default in covenants, bankruptcy events, and suspension or delisting from trading of the Common Stock on an eligible exchange. The Company is also obligated to register, and has registered, for resale the shares issuable upon conversion of the notes.

Certain conversion features of the April Indigo Capital Convertible Notes would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the April Indigo Capital Convertible Notes at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. The excess of the initial fair value of $1,531,351 of the April Indigo Capital Convertible Note over the proceeds received was recorded as a loss on issuance of notes payable on the consolidated statement of operations of $181,351 during the year ended December 31, 2025.

The Company incurred debt issuance costs of $40,000 related to the issuance of the April Indigo Capital Convertible Notes, which is included within other gain (loss), net on the consolidated statements of operations for the year ended December 31, 2025.

July 2025

On July 16, 2025, the Company, in exchange for a capital infusion of $150,000, issued to Indigo a $150,000 face amount unsecured, convertible note (the “July Indigo Capital Convertible Note”). The July Indigo Capital Convertible Note bears no interest for so long as it is not in default and has a July 15, 2026 maturity date and a conversion price equal to 80% of the lowest VWAP during the 5 days prior to the conversion date.

Issuances of Common Stock on conversion of the July Indigo Capital Convertible Note are limited to an amount equal to 19.9% of the outstanding Common Stock as of the date of execution, until such time as the transaction is approved by stockholders, and may not result in Indigo’s holding more than 9.9% and 4.99%, respectively, of the Company’s outstanding Common Stock at any time. The July Indigo Capital Convertible Note is also subordinate to the currently outstanding Series A Preferred Stock, solely with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

The foregoing transaction documents contain customary representations, warranties, and covenants, including customary events of default including, but not limited to, failure to pay amounts due when required, default in covenants, and bankruptcy events.

Certain conversion features of the July Indigo Capital Convertible Note would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the July Indigo Capital Convertible Note at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. The excess of the initial fair value of $193,858 of the July Indigo Capital Convertible Note over the proceeds received was recorded as a loss on issuance of notes payable on the consolidated statement of operations of $43,858 during the year ended December 31, 2025.

August 2025

On August 18, 2025, the Company, in exchange for a capital infusion of $225,000, issued to Indigo a $225,000 face amount unsecured, convertible note (the “August Indigo Capital Convertible Note”). The August Indigo Capital Convertible Note bears no interest for so long as it is not in default and has an August 17, 2026 maturity date and a conversion price equal to 80% of the lowest VWAP during the 5 days prior to the conversion date.

Issuances of Common Stock on conversion of the August Indigo Capital Convertible Note are limited to an amount equal to 19.9% of the outstanding Common Stock as of the date of execution, until such time as the transaction is approved by stockholders, and may not result in Indigo holding more than 9.9% of the Company’s outstanding Common Stock at any time. The August Indigo Capital Convertible Note is also subordinate to the currently outstanding Series A Preferred Stock, solely with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

The foregoing transaction documents contain customary representations, warranties, and covenants, including customary events of default including, but not limited to, failure to pay amounts due when required, default in covenants, and bankruptcy events.

Certain conversion features of the August Indigo Capital Convertible Note would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the August Indigo Capital Convertible Note at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. The excess of the initial fair value of $274,300 of the August Indigo Capital Convertible Note over the proceeds received was recorded as a loss on issuance of notes payable on the consolidated statement of operations of $49,300 during the year ended December 31, 2025.

The August Indigo Capital Convertible Note, July Indigo Capital Convertible Note, April Indigo Capital Convertible Notes and March Indigo Capital Convertible Notes are referred to collectively herein as the "Indigo Capital Convertible Notes".

For additional information regarding the fair value of the Indigo Capital Convertible Notes, see Note 5.

Principal

At December 31, 2025, the outstanding principal amount under the Indigo Capital Convertible Notes was $42,797.

Extinguishments

During the year ended December 31, 2025, Indigo Capital converted $6,334,982 of principal and accrued interest under the Indigo Capital Convertible Notes, resulting in the issuance of 11,102,635 shares of Common Stock to Indigo Capital and a reduction in the fair value of the Indigo Capital Convertible Notes, with a corresponding increase to additional paid-in capital of $13,399,656.

In connection with the issuance of the April Indigo Capital Exchange Convertible Note in exchange for the extinguishment of an existing unsecured promissory note of the Company with a carrying value of $2,108,523, the Company recorded a loss on debt extinguishment of $163,500 during the year ended December 31, 2025.

Agile Note

On May 12, 2025, the Company entered into a Business Loan and Security Agreement with Agile Capital Funding, LLC and its affiliates (“Agile”), pursuant to which the Company issued to Agile a $525,000 face amount secured promissory note (the “Agile Note”). The Agile Note bears interest at 44.0%, and requires weekly repayments of $27,000 through November 2025, totaling $756,000. From and after the occurrence of an event of default, the interest rate increases by 5.0%. The Agile Note is secured by the Company’s cash and deposit accounts. Upon an event of default, all accrued and unpaid principal and interest plus a prepayment premium is immediately due and payable (including any default interest, as applicable). The prepayment premium is equal to the aggregate amount of contractual interest that would be owed from the date of acceleration through the maturity date. The terms of the Agile Note allow for the Company to prepay any unpaid principal, accrued interest and other obligations due, as applicable, at anytime. Upon such prepayment, the Company is also required to pay the prepayment premium.

Certain features of the Agile Note would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the Agile Note at fair value, and the changes in the fair value are recorded within the consolidated statements of operations.

The Company received net proceeds of $443,620 from the issuance of the Agile Note, which includes (i) a debt discount of $25,000 and (ii) debt issuance costs of $56,380, which are included in other gain (loss), net on the consolidated statements of operations during the year ended December 31, 2025.

On May 30, 2025, the Company executed an amendment to the Business Loan and Security Agreement with Agile, which amended (i) the principal amount of the Agile Note to $1,000,000, (ii) the weekly payments from $27,000 to $48,000 and (iii) the maturity date to December 26, 2025. In connection with the amendment, the Company received net proceeds of $248,000, which comprises (a) the new principal of $1,000,000, less (b) the aggregate principal and prepayment premium owed under the original agreement of $702,000 and (c) $50,000 of debt discount.

For additional information regarding the fair value of the Agile Note, see Note 5.

Principal

At December 31, 2025, the outstanding principal amount outstanding under the Agile Note was $14,584.

Diagonal Convertible Notes

May 2025

On May 13, 2025, the Company entered into a Securities Purchase Agreement (the “SPA”) with 1800 Diagonal Lending LLC (“Diagonal”), pursuant to which the Company issued to Diagonal a $227,700 face amount convertible promissory note (the “Diagonal Convertible Note”). The Diagonal Convertible Note bears interest at 10% and has a maturity date of February 28, 2026. From and after the occurrence of an event of default, the interest rate increases by 12.0%. Beginning 180 days after the issuance date, the note may be converted into Common Stock for a conversion price equal to a discount of 25% to the lowest trading price during the ten days prior to the conversion date. The Company may prepay the Diagonal Convertible Note (i) for 120% of the outstanding principal plus accrued interest beginning on the issuance date and ending 120 days following the issuance date and (ii) for 125% of the outstanding principal plus accrued interest beginning 121 days following the issuance date and ending 180 days following the issuance date. Diagonal also agreed to provide additional tranches of financing during the twelve months following the date of the SPA, up to an aggregate of $2,275,000, subject to further agreement between the Company and Diagonal.

The Diagonal Convertible Note is subordinate to the currently outstanding Series A Preferred Stock, solely with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution, or winding up of the Company. Issuances of Common Stock on conversion of the Diagonal Convertible Note are limited to an amount equal to 19.9% of the outstanding Common Stock as of the date of execution, until such time as the transaction is approved by stockholders. The terms of the Diagonal Convertible Note contain customary representations, warranties, and covenants, including customary events of default including, but not limited to, failure to pay amounts due when required, default in covenants, and bankruptcy events.

Certain conversion features of the Diagonal Convertible Note would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the Diagonal Convertible Note at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. The excess of the initial fair value of $399,955 of the Diagonal Convertible Note over the proceeds received was recorded as a loss on issuance of notes payable on the consolidated statement of operations of $192,955 during the year ended December 31, 2025.

The Company received net proceeds of $178,000 from the issuance of the Diagonal Convertible Note, which includes (i) a debt discount of $20,700 and (ii) debt issuance costs of $29,000, which are included in other gain (loss), net on the consolidated statements of operations during the year ended December 31, 2025.

July 2025

On July 21, 2025, the Company entered into a Securities Purchase Agreement with Diagonal, pursuant to which, in exchange for a capital infusion of $157,000, the Company issued to Diagonal a $172,700 face amount convertible promissory note (the "July Diagonal Convertible Note"). The July Diagonal Convertible Note bears interest at 10% and has a maturity date of April 30, 2026. Beginning 180 days after the issuance date, the July Diagonal Convertible Note may be converted into Common Stock for a conversion price equal to a discount of 25% to the lowest trading price during the ten days prior to the conversion date.

Issuances of Common Stock on conversion of the July Diagonal Convertible Note are limited to an amount equal to 19.9% of the outstanding Common Stock as of the date of execution, until such time as the transaction is approved by stockholders, and may not result in Diagonal's holding more than 4.99% of the Company's outstanding Common Stock at any time. The July Diagonal Convertible Note is also subordinate to the currently outstanding Series A Preferred Stock, solely with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

The foregoing transaction documents contain customary representations, warranties, and covenants, including customary events of default including, but not limited to, failure to pay amounts due when required, default in covenants, and bankruptcy events.

Certain conversion features of the July Diagonal Convertible Note would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the July Diagonal Convertible Note at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. The excess of the initial fair value of $299,242 of the July Diagonal Convertible Note over the proceeds received was recorded as a loss on issuance of notes payable on the consolidated statement of operations of $142,242 during the year ended December 31, 2025.

The Company received net proceeds of $141,000 from the issuance of the July Diagonal Convertible Note, which includes (i) a debt discount of $15,700 and (ii) debt issuance costs of $16,000, which are included in other gain (loss), net on the consolidated statements of operations during the year ended December 31, 2025.

The Diagonal Convertible Note and July Diagonal Convertible Note issued in connection with the above transactions are collectively referred to herein as the "Diagonal Convertible Notes".

For additional information regarding the fair value of the Diagonal Convertible Notes, see Note 5.

Principal

At December 31, 2025, the outstanding principal amount outstanding under the Diagonal Convertible Notes was $172,700.

Extinguishments

During the year ended December 31, 2025, Diagonal converted $227,700 of principal and accrued interest under the Diagonal Convertible Notes, resulting in the issuance of 345,468 shares of Common Stock to Diagonal and a reduction in the fair value of the Diagonal Convertible Notes, with a corresponding increase to additional paid-in capital of $359,589.

Boot Convertible Note

On May 13, 2025, the Company entered into a Securities Purchase Agreement with Boot Capital LLC ("Boot"), pursuant to which the Company issued to Boot a $110,000 face amount convertible promissory note (the "Boot Convertible Note"). The Boot Convertible Note bears interest at 10% and has a maturity date of February 28, 2026. From and after the occurrence of an event of default, the interest rate increases by 12.0%. Beginning 180 days after the issuance date, the note may be converted into Common Stock for a conversion price equal to a discount of 25% to the lowest trading price during the ten days prior to the conversion date.

The Boot Convertible Note is subordinate to the currently outstanding Series A Preferred Stock, solely with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution, or winding up of the Company. Issuances of Common Stock on conversion of the Boot Convertible Note are limited to an amount equal to 19.9% of the outstanding Common Stock as of the date of execution, until such time as the transaction is approved by stockholders. The Company may prepay the Boot Convertible Note (i) for 120% of the outstanding principal plus accrued interest beginning on the issuance date and ending 120 days following the issuance date and (ii) for 125% of the outstanding principal plus accrued interest beginning 121 days following the issuance ending 180 days following the issuance date. The terms of the Boot Convertible Note contain customary representations, warranties, and covenants, including customary events of default including, but not limited to, failure to pay amounts due when required, default in covenants, and bankruptcy events.

Certain conversion features of the Boot Convertible Note would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the Boot Convertible Note at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. The excess of the initial fair value of $193,215 of the Boot Convertible Note over the proceeds received was recorded as a loss on issuance of notes payable on the consolidated statement of operations of $93,215 during the year ended December 31, 2025.

The Company received net proceeds of $84,000 from the issuance of the Boot Convertible Note, which includes (i) a debt discount of $10,000 and (ii) debt issuance costs of $16,000, which are included in other gain (loss), net on the consolidated statements of operations during the year ended December 31, 2025.

For additional information regarding the fair value of the Boot Convertible Note, see Note 5.

Extinguishments

During the year ended December 31, 2025, Boot converted the entire $110,000 of principal and accrued interest under the Boot Convertible Note, resulting in the issuance of 163,959 shares of Common Stock to Boot and a reduction in the fair value of the Boot Convertible Note, with a corresponding increase to additional paid-in capital of $173,625.

Brick Lane Convertible Notes

June 2025

On June 3, 2025, the Company entered into the following transactions with Brick Lane Capital Management Limited ("Brick Lane"):

- in exchange for transferring 100,000 shares of the Company's outstanding Series A Preferred Stock to the Company, which Brick Lane purchased from an existing investor, the Company issued to Brick Lane a $1,050,000 face amount unsecured, convertible note (the "Brick Lane Exchange Convertible Note"). The note bears no interest for so long as it is not in default, has an April 17, 2026 maturity date and a conversion price equal to the lowest VWAP during the 5 days prior to the conversion date; and
- in exchange for a capital infusion of $250,000, the Company issued to Brick Lane a $250,000 face amount unsecured, convertible note. The note bears no interest for so long as it is not in default, has a June 2, 2026 maturity date and a conversion price equal to the lowest VWAP during the 5 days prior to the conversion date.

The convertible notes issued in connection with the above transactions are collectively referred to herein as the "June Brick Lane Convertible Notes".

Issuances of Common Stock on conversion of such notes are limited to an amount equal to 19.9% of the outstanding Common Stock as of the date of execution, until such time as the transaction is approved by stockholders, and may not result in Brick Lane holding more than 9.9% of the Company's outstanding Common Stock at any time. The notes are also subordinate to the currently outstanding Series A Preferred Stock, solely with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company. The Company is obligated to register for resale the shares issuable upon conversion of the notes.

The foregoing transaction documents contain customary representations, warranties, and covenants, including customary events of default including, but not limited to, failure to pay amounts due when required, default in covenants, and bankruptcy events.

Certain conversion features of the June Brick Lane Convertible Notes would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the June Brick Lane Convertible Notes at fair value, and the changes in the fair value are recorded within the consolidated statement of operations.

September 2025

On September 2, 2025, the Company, in exchange for a capital infusion of $125,000, issued to Brick Lane a $125,000 face amount unsecured, convertible note (the "September Brick Lane Convertible Note"). The September Brick Lane Convertible Note bears no interest for so long as it is not in default and has a September 2, 2026 maturity date and a conversion price equal to 70% of the lowest VWAP during the 5 days prior to the conversion date.

Issuances of Common Stock on conversion of the September Brick Lane Convertible Note are limited to an amount equal to 19.9% of the outstanding Common Stock as of the date of execution, until such time as the transaction is approved by stockholders, and may not result in Brick Lane holding more than 9.9% of the Company's outstanding Common Stock at any time. The September Brick Lane Convertible Note is also subordinate to the currently outstanding Series A Preferred Stock, solely with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

The foregoing transaction documents contain customary representations, warranties, and covenants, including customary events of default including, but not limited to, failure to pay amounts due when required, default in covenants, and bankruptcy events.

The September Brick Lane Convertible Note and June Brick Lane Convertible Notes are collectively referred to herein as the "Brick Lane Convertible Notes". The terms of the Brick Lane Convertible Notes allow the Company to convert at any time after issuance without penalty at the conversion prices discussed above. From and after the occurrence of an event of default, the interest rate under the Brick Lane Convertible Notes increases to 15.0%.

Certain conversion features of the September Brick Lane Convertible Note would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the September Brick Lane Convertible Note at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. The excess of the initial fair value of $177,366 of the September Brick Lane Convertible Note over the proceeds received was recorded as a loss on issuance of notes payable on the consolidated statement of operations of $52,366 during the year ended December 31, 2025.

For additional information regarding the fair value of the Brick Lane Convertible Notes, see Note 5.

Principal

At December 31, 2025, the outstanding principal amount outstanding under the Brick Lane Convertible Notes was $146,734.

Extinguishments

During the second quarter of 2025, the Company recorded a loss on debt extinguishment of $1,071,997 related to the issuance of the Brick Lane Exchange Convertible Note to extinguish the 100,000 shares of the Company's outstanding Series A Preferred Stock, which represents the excess of the fair value of the Brick Lane Exchange Convertible Note over the carrying amount of the Series A Preferred Stock included in preferred stock liability on the consolidated balance sheet.

During the year ended December 31, 2025, Brick Lane converted $1,278,266 of principal under the Brick Lane Exchange Convertible Notes, resulting in the issuance of 1,659,290 shares of Common Stock to Brick Lane and a reduction in the fair value of the Brick Lane Convertible Notes, with a corresponding increase to additional paid-in capital, of $2,567,609.

Bomore Convertible Notes

On June 18, 2025, the Company entered into the following transactions with Bomore Opportunity Group Ltd (“Bomore”):

- in exchange for transferring 100,000 shares of the Company’s outstanding Series A Preferred Stock to the Company, the Company issued to Bomore a $1,050,000 face amount unsecured, convertible note (the "Bomore Exchange Convertible Note"). The note bears no interest for so long as it is not in default, has an June 17, 2026 maturity date and a conversion price equal to the lowest VWAP during the 5 days prior to the conversion date; and
- in exchange for a capital infusion of $250,000, the Company issued to Bomore a $250,000 face amount unsecured, convertible note. The note bears no interest for so long as it is not in default, has a June 17, 2026 maturity date and a conversion price equal to the lowest VWAP during the 5 days prior to the conversion date.

The convertible notes issued in connection with the above transactions are collectively referred to herein as the "Bomore Convertible Notes". The terms of the Bomore Convertible Notes allow the Company to convert at any time after issuance without penalty at the conversion prices discussed above. From and after the occurrence of an event of default, the interest rate under the Bomore Convertible Notes increases to 15.0%.

Issuances of Common Stock on conversion of such notes are limited to an amount equal to 19.9% of the outstanding Common Stock as of the date of execution, until such time as the transaction is approved by stockholders, and may not result in Bomore holding more than 9.9% of the Company’s outstanding Common Stock at any time. The notes are also subordinate to the currently outstanding Series A Preferred Stock, solely with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

The foregoing transaction documents contain customary representations, warranties, and covenants, including customary events of default including, but not limited to, failure to pay amounts due when required, default in covenants, and bankruptcy events.

Certain conversion features of the Bomore Convertible Notes would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the Bomore Convertible Notes at fair value, and the changes in the fair value are recorded within the consolidated statement of operations.

For additional information regarding the fair value of the Bomore Convertible Notes, see Note 5.

Principal

At December 31, 2025, the outstanding principal amount outstanding under the Bomore Convertible Notes was $50,469.

Extinguishments

During the year ended December 31, 2025, the Company recorded a loss on debt extinguishment of $140,323 related to the issuance of the Bomore Exchange Convertible Note to extinguish the 100,000 shares of the Company's outstanding Series A Preferred Stock, which represents the excess of the fair value of the Bomore Exchange Convertible Note over the carrying amount of the Series A Preferred Stock included in preferred stock liability on the consolidated balance sheet.

During the year ended December 31, 2025, Bomore converted $1,249,531 of principal under the Bomore Convertible Notes, resulting in the issuance of 965,191 shares of Common Stock to Bomore and a reduction in the fair value of the Bomore Convertible Notes, with a corresponding increase to additional paid-in capital, of $1,511,236.

Torcross Convertible Note

On June 25, 2025, the Company entered into the following transactions with Torcross Capital LLC (“Torcross”):

- in exchange for the transfer of 40,000 shares of the Company’s outstanding Series A Preferred Stock to the Company, the Company was required to issue to Torcross a $400,000 face amount unsecured, convertible note (the "Torcross Exchange Convertible Note"), which in November 2025, through a rescission agreement, the Company and Torcross rescinded the transactions set forth in the Torcross Exchange Convertible Note, such that the parties are deemed to have not entered into such transactions; and

- in exchange for a capital infusion of $100,000, the Company issued to Torcross a $100,000 face amount unsecured, convertible note (the "Torcross Convertible Note"). The note bears no interest for so long as it is not in default, has a June 24, 2026 maturity date and a conversion price equal to 80% of the lowest VWAP during the 5 days prior to the conversion date.

The terms of the Torcross Convertible Note allow the Company to convert at any time after issuance without penalty at the conversion prices discussed above. From and after the occurrence of an event of default, the interest rate under the Torcross Convertible Note increases to 15.0%.

Issuances of Common Stock on conversion of such note are limited to an amount equal to 19.9% of the outstanding Common Stock as of the date of execution, until such time as the transaction is approved by stockholders, and may not result in Torcross holding more than 9.9% of the Company's outstanding Common Stock at any time. The note is also subordinate to the currently outstanding Series A Preferred Stock, solely with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

The foregoing transaction documents contain customary representations, warranties, and covenants, including customary events of default including, but not limited to, failure to pay amounts due when required, default in covenants, and bankruptcy events.

Certain conversion features of the Torcross Convertible Note would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the Torcross Convertible Note at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. The excess of the initial fair value of $133,883 of the Torcross Convertible Note over the proceeds received was recorded as a loss on issuance of notes payable on the consolidated statement of operations of $33,883 during the year ended December 31, 2025.

For additional information regarding the fair value of the Torcross Convertible Note, see Note 5.

Principal

At December 31, 2025, the outstanding principal amount outstanding under the Torcross Convertible Note was $20,187.

Extinguishments

During the year ended December 31, 2025, Torcross converted $79,813 of principal under the Torcross Convertible Note, resulting in the issuance of 156,564 shares of Common Stock to Torcross and a reduction in the fair value of the Torcross Convertible Note, with a corresponding increase to additional paid-in capital, of $199,219.

YA II PN, Ltd. ("YA") Debentures

June 2025

On June 30, 2025, the Company entered into a securities purchase agreement (the "Purchase Agreement") with the investors party thereto pursuant to which the Company issued a debenture in the amount of $1,250,000 in exchange for a capital infusion of $1,100,000 (the "YA Debenture"), which closed in July 2025.

The YA Debenture bears interest at an annual rate equal to 8% for so long as it is not in default and has an October 30, 2025 maturity date. From and after the occurrence of an event of default, the interest rate under the YA Debenture increases to 18.0%. The Company may prepay the YA Debenture at any time after issuance without penalty. Among other things, the Purchase Agreement prohibits the Company from incurring additional indebtedness or entering into variable rate transactions, with certain exceptions. The Company is required to use any proceeds received under the SEPA, as defined and described in Note 12, to pay outstanding principal and interest under the YA Debenture until the YA Debenture is paid in its entirety.

The foregoing transaction documents contain customary representations, warranties, and covenants, including customary events of default including, but not limited to, failure to pay amounts due when required, default in covenants, and bankruptcy events.

Certain features of the YA Debenture would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the YA Debenture at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. The excess of the initial fair value of $1,255,700 of the YA Debenture over the proceeds received was recorded as a loss on issuance of notes payable on the consolidated statement of operations of $155,700 during the year ended December 31, 2025.

The Company incurred debt issuance costs of $127,000 related to the issuance of the YA Debenture, which is included within other gain (loss), net on the consolidated statements of operations for the year ended December 31, 2025. The excess of the initial fair value of $1,255,700 of the YA Debenture over the proceeds received was recorded as a loss on issuance of notes payable on the consolidated statements of operations of $155,700 during the year ended December 31, 2025. During the third quarter of 2025, the Company used proceeds from the SEPA to pay all outstanding principal and interest under the YA Debenture, as further described in Note 12.

December 2025

On December 17, 2025, the Company entered into a Securities Purchase Agreement with YA II PN, LTD, pursuant to which the Company completed a $25,000,000 financing transaction (the "December 2025 YA Financing Transaction"). In connection with the December 2025 YA Financing Transaction, the Company issued (i) a debenture with an aggregate principal amount of $25,000,000 (the "December 2025 YA Debenture") at an original issue discount of 7.0%, resulting in gross cash proceeds to the Company of $23,250,000 and (ii) the December 2025 YA Warrants, as defined and described in Note 11, to purchase an aggregate of 46,092,185 shares of the Company's Common Stock at exercise prices ranging from $0.05 to $2.35 per share, which were determined to be equity-classified and are further described in Note 11.

The December 2025 YA Debenture matures on December 16, 2026, subject to extension at the option of the holder, and bears interest at a rate of 8.0% per annum on the outstanding principal balance, which upon the occurrence of an event of default, increases to 18.0% per annum.

Beginning on March 18, 2026, and continuing on the same day of each successive month, the Company is required to make monthly installment payments of principal in the amount of $2,777,778, plus accrued and unpaid interest. In addition, all proceeds received by the Company under its SEPA, as defined and further described in Note 12, are required to be applied to the repayment of the December 2025 YA Debenture until it is paid in full.

The Company may, at its option, redeem all or a portion of the outstanding principal at any time for cash at an amount equal to the principal being redeemed plus accrued and unpaid interest through the redemption date. No prepayment penalty or make-whole premium applies. Upon acceleration following an event of default, all unpaid principal, accrued interest, and other amounts due under the December 2025 YA Debenture become immediately due and payable. The December 2025 YA Debenture contains customary terms and conditions, including representations, warranties, and covenants. Subject to certain exceptions, while the December 2025 YA Debenture remains outstanding, the Company is restricted from entering into variable rate financing transactions without YA's prior written consent.

Certain features of the December 2025 YA Debenture would typically be considered derivatives that would require bifurcation. As such, the Company elected to account for the December 2025 YA Debenture at fair value, and the changes in the fair value are recorded within the consolidated statement of operations. In accordance with U.S. GAAP, as the $25,312,500 fair value of the December 2025 YA Debenture at inception was greater than the net proceeds received for the issuance of the December 2025 YA Debenture and the December 2025 YA Warrants, the Company recorded a $2,062,500 loss on issuance of notes payable for the excess of the fair value of the December 2025 YA Debenture over the net proceeds received in the December 2025 YA Financing Transaction. Accordingly, no value was ascribed to the December 2025 YA Warrants.

Issuance costs of $1,395,166 were incurred in connection with the December 2025 YA Financing Transaction, which were allocated entirely to the December 2025 YA Debenture in the same manner as the proceeds, and are included in other gain (loss), net on the consolidated statements of operations during the year ended December 31, 2025.

Principal

At December 31, 2025, the outstanding principal amount outstanding under the December 2025 YA Debenture was $25,000,000.

Maturities of Debt

Maturities of our debt as of December 31, 2025 are presented below:

	December 31, 2025
Year ended December 31:	
2026	$ 25,458,016
2027	-
2028	-
2029	-
2030	-
Thereafter	-
Total debt maturities	$ 25,458,016

NOTE 10. EQUITY

Common Stock

2025 Offering

On September 16, 2025, the Company consummated a best efforts public offering (the "2025 Offering") of an aggregate of (i) 6,487,683 shares of Common Stock, par value $0.0001 per share, of the Company, (ii) 10,352,721 warrants, with an exercise price of $0.0005 per share, to purchase shares of Common Stock ("2025 Offering Pre-Funded Warrants"), and (iii) 25,260,605 warrants, with an exercise price of $0.8553 per share, to purchase shares of Common Stock ("2025 Offering Common Stock Warrants"). Each share of Common Stock or 2025 Offering Pre-Funded Warrant was sold together with one 2025 Offering Common Stock Warrant to purchase 1.5 shares of Common Stock. The combined offering price for each share of Common Stock and 2025 Offering Common Stock Warrant was $0.7126, and the combined offering price for each 2025 Offering Pre-Funded Warrant and accompanying 2025 Offering Common Stock Warrant was $0.7121. For additional information related to the warrants issued in connection with the 2025 Offering, see Note 11.

The Company received gross proceeds of $11,994,834 from the 2025 Offering and incurred $1,668,303 of offering costs, including the initial fair value of the 2025 Offering Placement Agent Warrants, as defined below, of $417,815, which were recorded as a reduction of additional paid-in capital, resulting in net cash proceeds of $10,744,346. The Company intends to use the net proceeds from this Offering to support the phased acquisitions of businesses and for working capital and general corporate purposes. The 2025 Offering was completed on the terms available to the Company at that time.

In connection with the 2025 Offering, the Company entered into a Securities Purchase Agreement (the "2025 Offering Purchase Agreement") with certain institutional and retail investors. Pursuant to the 2025 Offering Purchase Agreement, the Company agreed not to issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for shares of Common Stock or file any registration statement or prospectus, or any amendment or supplement thereto for 60 days after the closing date of the 2025 Offering (i.e. November 15, 2025), subject to certain exceptions. The Company agreed not to effect or enter into an agreement to effect any issuance of Common Stock or any securities convertible into or exercisable or exchangeable for shares of Common Stock involving a Variable Rate Transaction (as defined in the 2025 Offering Purchase Agreement) until six months after the closing date of the 2025 Offering (i.e. March 16, 2026), subject to certain exceptions. Additionally, in connection with the 2025 Offering, each of the officers and directors of the Company and holders of 10% or more of the Company's outstanding shares of Common Stock entered into lock-up agreements, pursuant to which they agreed not to sell or transfer any of the Company securities they hold, subject to certain exceptions, during the 60 days following the closing of the 2025 Offering.

The 2025 Offering Purchase Agreement contains customary representations, warranties and agreements by the Company, customary conditions to closing, indemnification obligations of the Company and the purchasers, including for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act"), other obligations of the parties and termination provisions. The representations, warranties and covenants contained in the 2025 Offering Purchase Agreement were made only for the purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement and may be subject to limitations agreed upon by the contracting parties. A holder will not have the right to exercise any portion of the 2025 Offering Common Stock Warrants or 2025 Offering Pre-Funded Warrants if the holder (together with its affiliates) would beneficially own in excess of 4.99% or 9.99%, as applicable, of the number of shares of Common Stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the 2025 Offering Common Stock Warrants or the 2025 Offering Pre-Funded Warrants, respectively.

Pursuant to a Placement Agency Agreement (the "Placement Agency Agreement") with Joseph Gunnar and Co., LLC (the "Placement Agent"), the Company agreed to pay the Placement Agent in connection with the 2025 Offering (i) a total cash fee equal to up to seven and a half percent (7.5%) of the aggregate gross proceeds raised in the 2025 Offering for amounts up to and including $10,000,000, and an additional cash fee equal to six percent (6.0%) of the gross proceeds raised in the 2025 Offering for amounts in excess of $10,000,000, and (ii) reimbursement for reasonable accountable and out-of-pocket expenses incurred relating to the 2025 Offering up to $100,000.

Also pursuant to the Placement Agency Agreement, the Company, in connection with the 2025 Offering, agreed to issue to the Placement Agent or its designees warrants (the "2025 Offering Placement Agent Warrants") to purchase up to an aggregate of 673,617 shares of Common Stock. The 2025 Offering Placement Agent Warrants have an exercise price of $0.8907 per share (which represents 125% of the combined public offering price per share of Common Stock and accompanying 2025 Offering Common Stock Warrant), expire on the five-year anniversary of the commencement of sales in the 2025 Offering, and are exercisable beginning six months from the date of issuance.

The shares of Common Stock, the 2025 Offering Pre-Funded Warrants, the 2025 Offering Common Stock Warrants and the 2025 Offering Placement Agent Warrants were offered by the Company pursuant to a registration statement filed with the SEC on September 10, 2025, and declared effective by the SEC on September 12, 2025, and a registration statement filed with the SEC on September 16, 2025.

Series A Preferred Stock

The Company is authorized to issue 50,000,000 shares of preferred stock with a par value of $0.0001 per share (the "Preferred Stock") with such designation, rights and preferences as may be determined from time to time by the Company's board of directors. As of December 31, 2025 and 2024, there were 2,188,905 and 2,388,905, respectively, of shares of preferred stock issued and outstanding.

During June 2025, the Company purchased (i) 100,000 shares of preferred stock from Brick Lane and (ii) 100,000 shares of preferred stock from Bomore, which Brick Lane and Bomore had each acquired from an existing investor, in exchange for a convertible note, as further described in Note 9. Additionally, in February 2026, we extinguished 844,938 shares of our Preferred Stock through the issuance of 11,176,650 pre-funded warrants to Indigo, as further described in Note 17.

Ranking

The Company's Preferred Stock ranks senior to the Company's Common Stock with respect to rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company.

Dividends

Holders of the Company's Preferred Stock participate, on an as-converted basis (without regard to any conversion limitations) in all dividends paid to the holders of the Company's Common Stock.

Conversion Rights

Prior to January 31, 2025, as further described under *Redemption* below, the Preferred Stock was convertible at any time into Common Stock at a conversion price equal to $1,996 (subject to equitable adjustment in the event of a stock split, stock consolidation, subdivision or certain other events of a similar nature that increase or decrease the number of shares of Preferred Stock outstanding (the "Original Issuance Price")) divided by the lesser of (i) $2,295 and (ii) the greater of (x) 115% of the lowest VWAP per share of the Company's Common Stock for any consecutive ninety-trading day period prior to the calculation of such VWAP and (y) $998, in each case subject to adjustment as set forth in the Certificate of Designations (the "Conversion Price").

Mandatory Conversion

If the VWAP is greater than 200% of the Conversion Price for any 20 trading days in a 30-day trading day period, the Company may elect to convert all, but not less than all, of the Preferred Stock then outstanding into the Company's Common Stock at a conversion rate with respect to each share of Preferred Stock equal to the Original Issuance Price as of the date of such conversion divided by the then applicable Conversion Price.

Voting Rights

The holders of Preferred Stock are not entitled to vote at or receive notice of any meeting of stockholders, except the holders of Preferred Stock are entitled to certain consent rights on matters related to (i) the creation or authorization of the creation of any equity or debt securities of the Company that rank senior or equal to certain rights of the Preferred Stock and (ii) the authorization of any adverse change to the powers, preferences, or special rights of the Preferred Stock set forth in the Company's Certificate of Incorporation or Bylaws, and shall have voting rights as required by law.

Redemption

On the second anniversary of the Closing Date, or January 31, 2025 (the "Test Date"), the Company is obligated to redeem the maximum portion of the Preferred Stock permitted by law in cash at an amount equal to the Original Issuance Price as of such date if the Conversion Price exceeds the VWAP. If, on the Test Date, the Conversion Price is equal to or less than the VWAP, the Company must convert all shares of Preferred Stock then outstanding into shares of the Company's Common Stock at the then applicable Conversion Price. Notwithstanding the foregoing, the Company shall not be required to redeem any shares of Preferred Stock to the extent the Company does not have legally available funds to effect such redemption. The mandatory redemption and conversion provisions described herein are further subject to certain limitations detailed in the Certificate of Designations. As a result of such redemption feature, the Company recorded the Preferred Stock at its redemption value and classified the Preferred Stock as mezzanine equity on the consolidated balance sheet through January 31, 2025. As the Conversion Price of the Preferred Stock exceeded the VWAP on the Test Date, the Company was obligated to redeem the Preferred Stock beginning at that time and, as such, reclassified such Preferred Stock from mezzanine equity to a current liability on January 31, 2025. The preferred stock current liability was initially recorded at its fair value on January 31, 2025 of $13,491,000 and subsequently remeasured to its redemption amount of $10.00 per share ($1,996 adjusted for the stock splits), or $23,889,050, as the Preferred Stock is currently mandatorily redeemable at such amount, with the difference between the initial fair value and carrying value of $10,398,050 recorded as an adjustment to net loss available to common shareholders on the consolidated statement of operations for the year ended December 31, 2025. The remeasurement of the liability subsequent to issuance to the redemption value of $10,398,050 is recorded within interest expense recognized on remeasurement of preferred stock liability on the consolidated statement of operations for the year ended December 31, 2025.

NOTE 11. WARRANTS

The following table provides a summary of the number of the Company's outstanding warrants:

				As of December 31,	
		Exercise price	Expiration date	2025	2024
Liability-classified warrants:					
2025 Offering Common Stock Warrants	$	0.8553	September 2030	377,460	—
Junior Note Warrants	$	24.95	December 2028	172,209	172,208
Public Warrants	$	2,295.40	January 2028	83,722	83,722
Total				633,391	255,930
Equity-classified warrants:					
December 2025 $0.05 YA Warrants	$	0.05	December 2030	16,032,065	—
December 2025 $1.25 YA Warrants	$	1.25	December 2030	20,040,081	—
December 2025 $1.871 YA Warrants	$	1.871	December 2030	5,010,021	—
December 2025 $2.35 YA Warrants	$	2.35	December 2030	5,010,021	—
2025 Offering Placement Agent Warrants	$	0.8907	September 2030	673,617	—
June 2023 Senior Note Warrants	$	205.59	June 2028	67,177	67,177
Pre-Funded Warrants		N/A	N/A	—	167,759
August 2024 Warrants Issued with Junior Notes		$10.88 — $15.87	August 2029	3,987	3,987
Total				46,836,969	238,923

Liability-Classified Warrants

November 2023 Junior Note Warrants

In connection with the Junior Notes discussed in Note 9, the Company issued the Junior Note Warrants to purchase up to 110,221 shares of the Company's Common Stock. The Junior Note Warrants currently outstanding have an exercise price equal to $24.95 per share (subject to adjustment per the Junior Note Purchase Agreements) and expire on December 6, 2028. The Junior Note Purchase Agreements also provide for additional warrants to be issued if the Junior Notes remain outstanding for certain periods of time: (i) if the Junior Notes have not been repaid six months after issuance, additional warrants will be issued to each Lender in an amount equal to the principal amount of the Note multiplied by 25%, and such quotient divided by a per share cash exercise price equal to 120% of the VWAP of the Company's Common Stock during the ten trading days immediately prior to issuance and (ii) if the Junior Notes have not been repaid nine months after issuance, additional warrants will be issued to each Lender in an amount equal to the principal amount of the Note multiplied by 25%, and such quotient divided by a per share cash exercise price equal to 120% of the VWAP of the Company's Common Stock during the ten trading days immediately prior to issuance. As a portion of the Junior Notes were outstanding at each of May 13, 2024 and August 13, 2024, the Company was required to issue 61,988 additional warrants pursuant to the Junior Note Purchase Agreements during the year ended December 31, 2024.

Based on the terms of the Junior Note Purchase Agreements, the Junior Note Warrants were evaluated under FASB ASC 815-40 - *Derivatives and Hedging-Contracts in Entity's Own Equity* ("ASC 815-40") and the Company concluded they did not initially meet the criteria to be classified in stockholders' equity (deficit). Specifically, there were contingent exercise provisions and settlement provisions that existed, as described above, where the number of shares available under the Junior Note Warrants may be adjusted. Because the number of outstanding common shares was not a fair value input to a fixed-for-fixed model, the Junior Note Warrants are treated as liabilities and are remeasured at each reporting date. The proceeds of $5,500,000 were allocated first to the Junior Note Warrant liability at fair value and then to the Junior Notes. The Company further determined that the Junior Note Warrants liability meets the criteria to be accounted for as a bifurcated derivative due to the significant discount it creates on the Junior Notes.

Public Warrants

In connection with the closing of the Business Combination, Nuburu assumed the 83,722 Public Warrants outstanding on the date of Closing, all of which were outstanding as of December 31, 2025. However, on December 12, 2023, the NYSE notified the Company and publicly announced that the NYSE had determined to (a) commence proceedings to delist the Company's Public Warrants, each whole Public Warrant exercisable to purchase one share of the Company's Common Stock at a price of $2,295.40 per share, and listed to trade on the NYSE under the symbol "BURU WS", and (b) immediately suspend trading in the Public Warrants due to "abnormally low" trading price levels. As such, the Public Warrants were determined to have no value in the financial statements as of December 31, 2025 and 2024.

2025 Offering Common Stock Warrants

On September 16, 2025, in connection with the 2025 Offering, as described in Note 10, the Company issued 25,260,605 liability-classified 2025 Offering Common Stock Warrants to purchase shares of Common Stock. Each 2025 Offering Common Stock Warrant is immediately exercisable, has an exercise price of $0.8553 per share, subject to adjustment upon certain events, and expires on September 16, 2030. The warrants may be exercised in whole or in part for cash or, in certain circumstances, on a cashless basis, subject to certain beneficial ownership limitations. Net proceeds from the 2025 Offering were first allocated to the liability-classified 2025 Offering Common Stock Warrants at their aggregate issuance date fair value of $20,747,899, which was greater than the net proceeds received from the 2025 Offering of $10,744,346, therefore the Company recorded a loss on issuance of warrants on the consolidated statements of operations of $8,756,303 for the year ended December 31, 2025, with no residual net proceeds allocated to the Common Stock and 2025 Offering Pre-Funded Warrants. Changes in the fair value of the 2025 Offering Common Stock Warrants are included within change in fair value of warrant liabilities in the consolidated statements of operations for the year ended December 31, 2025.

During the year ended December 31, 2025, 24,883,155 2025 Offering Common Stock Warrants were exercised on a cashless basis, resulting in the issuance of 25,260,611 shares of Common Stock and the derecognition of the related warrant liability, which resulted in an increase to equity of $34,373,943 for the year ended December 31, 2025.

Equity-Classified Common Stock Warrants

June 2023 Senior Note Warrants

In connection with the issuance of Senior Convertible Notes discussed in Note 9, the Company issued the Senior Note Warrants to purchase up to 57,710 shares of the Company's Common Stock pursuant to the June 12, 2023 Senior Note Purchase Agreement and 9,467 shares of Common Stock pursuant to the June 16, 2023 Senior Note Purchase Agreement. The Senior Note Warrants have an exercise price equal to $205.59 per share and expire on June 23, 2028.

As the Senior Note Warrants were part of a bundled transaction, the gross proceeds from the issuance of $9,225,000 were allocated to the Senior Convertible Notes and the Senior Note Warrants based on their respective relative fair value upon issuance. The aggregate fair value of the Senior Note Warrants of $3,401,366 was estimated using the Black-Scholes option-pricing model with the following assumptions:

	Upon Issuance
Common Stock Warrants:	
Expected term (in years)	5.0
Expected volatility	47.9%
Risk-free interest rate	4.0%
Expected dividend yield	0.0%

The allocated proceeds from the Senior Note Warrants of $2,511,759 were recorded in additional paid-in capital in the consolidated balance sheets upon issuance of the Senior Note Warrants.

Pre-Funded Warrants

On May 1, 2024, the Company entered into a Pre-Funded Warrant Purchase Program (the "Program") with strategic investors, pursuant to which from time-to-time the Company could sell and the investors could acquire pre-funded warrants, up to a total purchase price to the Company equal to $15,000,000. The exercise price for pre-funded warrants is substantially paid by the purchaser at closing and, as a result, such warrants may be exercised in the future with a nominal exercise price payment. Investors also received a warrant to acquire the same number of shares covered by the pre-funded warrant for a purchase price equal to 150% of the relevant pre-funded warrant purchase price exercisable for a period of 5 years. Each specific transaction was entered into on terms agreed by the parties; provided however, that in no case would the purchase price per share be less than 110% of the closing price per share of the Company's Common Stock on the trading day immediately preceding the date of purchase. Contemporaneously with the acquisition of pre-funded warrants, the investors could also voluntarily convert outstanding notes previously issued by the Company; provided that such transactions, as a whole, could not result in an effective direct or indirect discount to market price to the investors of greater than 30%. During 2024, the Company issued 167,759 pre-funded warrants for total cash proceeds of $2,139,866 in pre-funded warrants pursuant to the Program (the "Pre-Funded Warrants").

Pre-Funded Warrants Modification — In February 2025, in connection with the Liqueous Settlement Agreement, as amended, the Company agreed to (i) modify 133,349 outstanding equity-classified Pre-Funded Warrants issued in connection with the Program during 2024, resulting in the issuance of 730,946 equity-classified pre-funded warrants outstanding immediately after the modification exercisable into Common Stock and (ii) modify the remaining 34,411 outstanding equity-classified Pre-Funded Warrants issued in connection with the Program during 2024, resulting in 1,875,930 pre-funded warrants outstanding immediately after the modification that were concurrently exercised into 1,875,930 shares of the Company's Common Stock for no additional cash consideration, as the modified pre-funded warrants had a nominal exercise price (the "Pre-Funded Warrants Modification"). As a result of the Liqueous Settlement Agreement, there will not be further issuances under the Program.

The Company accounted for the Pre-Funded Warrants Modification in accordance with ASC 815, *Derivatives and Hedging*, where the effect of a modification shall be measured as the difference between the fair value of the modified warrant and the fair value of the original warrant immediately before its terms are modified, with each measured on the modification date. As a result of the Pre-Funded Warrants Modification, which was not contemplated as a result of an equity or debt financing, but rather, as a settlement of any claims between the parties related to non-performance of obligations under certain previous agreements executed between the Company and Liqueous, the Company recorded (i) an increase to equity of $3,076,380, and a corresponding deemed dividend, related to the incremental fair value of the modified Pre-Funded Warrants over the fair value of the original Pre-Funded Warrants, each measured on the modification date and (ii) a loss on settlement of an aggregate $2,026,380, which represents the incremental fair value of the modified Pre-Funded Warrants over the fair value of the original Pre-Funded Warrants, each measured on the modification date, less cash received or receivable related to the Liqueous Settlement Agreement of $1,050,000. The loss on settlement is recorded in loss on extinguishment of notes payable on the consolidated statement of operations during the year ended December 31, 2025.

In March 2025, the 730,946 outstanding warrants were exercised into 730,946 shares of Common Stock for no additional cash consideration, as the pre-funded warrants had a nominal exercise price.

August 2024 Warrants Issued with Junior Notes

As discussed in Note 9, in connection with the issuance of the August 2024 Convertible Notes, the Company issued an aggregate 3,987 warrants to a financial services firm as compensation for their services performed, the fair value of which was determined to be $40,657 and was recorded as a deferred financing cost and associated additional paid-in capital in the consolidated balance sheet, as the warrants were determined to be equity classified. The warrants are exercisable through payment of an exercise price ranging from $10.88 to $15.87, subject to certain customary antidilution adjustments, at any time after issuance through the expiration date in August 2029.

Offering Pre-Funded Warrants and Offering Placement Agent Warrants

On September 16, 2025, in connection with the 2025 Offering, as described in Note 10, the Company issued (i) 10,352,721 equity-classified 2025 Offering Pre-Funded Warrants to purchase shares of Common Stock and (ii) 673,617 equity-classified 2025 Offering Placement Agent Warrants to purchase shares of Common Stock. The 2025 Offering Pre-Funded Warrants were exercisable immediately and had an exercise price of $0.0005 per share. The 2025 Offering Placement Agent Warrants have an exercise price of $0.8907 per share, subject to adjustment upon certain events, are exercisable beginning March 16, 2026, and expire on September 16, 2030. The 2025 Offering Pre-Funded Warrants and 2025 Offering Placement Agent Warrants may be exercised in whole or in part for cash or, in certain circumstances, on a cashless basis, subject to certain beneficial ownership limitations. As discussed above, net proceeds from the 2025 Offering were first allocated to the liability-classified 2025 Offering Common Stock Warrants at their aggregate issuance date fair value, and no residual proceeds were allocated to the Common Stock and 2025 Offering Pre-Funded Warrants. The issuance date fair value of the 2025 Offering Placement Agent Warrants of $417,815 was treated as an equity-issuance cost and reduction in additional-paid in capital, and was estimated using the Monte Carlo simulation based approach, a Level 3 valuation, with the following assumptions:

		Upon Issuance
2025 Offering Placement Agent Warrants:		
Stock price[(1)]	$	0.69611
Expected term (in years)		5.0
Expected volatility		145.0%
Risk-free interest rate		3.6%
Expected dividend yield		0.0%

(1) Amounts for the periods presented have been adjusted to reflect the 1-for-4.99 February 2026 Reverse Stock Split, as defined and further described in Note 2. See Note 2 for additional information.

During the year ended December 31, 2025, all 10,352,721 2025 Offering Pre-Funded Warrants were exercised on a cashless basis, resulting in the issuance of 10,345,474 shares of Common Stock.

December 2025 YA Warrants

In connection with the issuance of the December 2025 YA Debenture, as further described in Note 9, the Company issued warrants to purchase an aggregate of 46,092,185 shares of the Company's Common Stock consisting of (i) warrants exercisable for 16,032,065 shares at an exercise price of $0.05 per share (the "December 2025 $0.05 YA Warrants"), (ii) warrants exercisable for 20,040,081 shares at an exercise price of $1.25 per share (the "December 2025 $1.25 YA Warrants"), (iii) warrants exercisable for 5,010,021 shares at an exercise price of $1.871 per share (the "December 2025 $1.871 YA Warrants") and (iv) warrants exercisable for 5,010,021 shares at an exercise price of $2.35 per share (the "December 2025 $2.35 YA Warrants") (collectively, the "December 2025 YA Warrants"). The December 2025 YA Warrants are exercisable anytime from issuance through the expiration date of December 17, 2030.

Issuance of warrant shares in excess of 19.99% of the Company's outstanding Common Stock is subject to stockholder approval. Certain of the December 2025 YA Warrants may be exercised on a cashless basis if the related shares are not registered for resale. The Company may require cash exercise of certain of the December 2025 YA Warrants upon satisfaction of specified market-based and registration conditions, subject to volume limitations. The December 2025 YA Warrants contain customary anti-dilution and fundamental transaction provisions designed to preserve the holder's economic interests, including adjustments for stock splits, dividends and similar events. Prior to exercise, the December 2025 YA Warrants do not confer voting or dividend rights, but permit participation in certain distributions on an as-converted basis, subject to beneficial ownership limitations. The December 2025 YA Warrants are transferable subject to applicable securities laws and include customary remedies for failure to timely deliver shares upon exercise.

The Company entered into a registration rights agreement requiring the Company to file a registration statement covering the resale of the warrant shares and, subject to certain exceptions, restricting the Company from filing other registration statements until such shares are registered.

As further described in Note 9, as the December 2025 YA Financing Transaction involved the issuance of both debt and equity instruments, as the fair value of the December 2025 YA Debenture at inception was greater than the net proceeds received for the issuance of the December 2025 YA Debenture and the December 2025 YA Warrants, no value was ascribed to the December 2025 YA Warrants.

NOTE 12. STANDBY EQUITY PURCHASE AGREEMENT

On May 30, 2025, the Company entered into the Standby Equity Purchase Agreement (as it may be amended from time to time, the "SEPA") with YA II PN, LTD, a Cayman Islands exempt limited company (together with its successors or assigns, the "SEPA Investor") pursuant to which the Company has the right to sell to the SEPA Investor up to $100,000,000 of Common Stock (the "Commitment Amount"), subject to certain limitations and conditions set forth in the SEPA, from time to time during the term of the SEPA. The Company also agreed to register the resale of shares of Common Stock issued to the SEPA Investor pursuant to the SEPA. Sales of the shares of Common Stock to the SEPA Investor under the SEPA, and the timing of any such sales, are at the Company's option, and the Company is under no obligation to sell any shares of Common Stock to the SEPA Investor under the SEPA.

Upon the satisfaction of the conditions to the SEPA Investor's purchase obligation set forth in the SEPA, including having a registration statement registering the resale of the shares of Common Stock issuable under the SEPA declared effective by the SEC, which occurred on July 24, 2025, the Company will have the right, but not the obligation, from time to time at its discretion, to direct the SEPA Investor to purchase a specified number of shares of Common Stock (an "Advance") by delivering written notice to the SEPA Investor (an "Advance Notice"). On July 24, 2025, a registration statement was declared effective by the SEC allowing the SEPA Investor to resell up to 4,008,017 shares of Common Stock. On September 23, 2025, a registration statement was declared effective by the SEC allowing the SEPA Investor to resell up to another 6,012,025 shares of Common Stock. On December 19, 2025, a registration statement was declared effective by the SEC allowing the SEPA Investor to resell up to another 26,052,105 shares of Common Stock. While there is no mandatory minimum amount for any Advance, it may not exceed 100% of the average of the daily traded amount during the five consecutive trading days immediately preceding an Advance Notice.

The shares of Common Stock purchased pursuant to an Advance will be purchased at a price equal to 97% of the lowest daily VWAP of the shares of Common Stock during the three consecutive trading days commencing on the date of the delivery of the Advance Notice, other than the daily VWAP on a day in which the daily VWAP is less than a minimum acceptable price as stated by the Company in the Advance Notice or there is no VWAP on the subject trading day, in which cases the size of the Advance may be reduced to account for such day(s) in which the daily VWAP is less than the applicable minimum acceptable price or there is no VWAP. The Company may establish a minimum acceptable price in each Advance Notice below which it will not be obligated to make any sales to the SEPA Investor.

Under applicable NYSE American rules and the terms of the SEPA, in no event may the Company issue to the SEPA Investor under the SEPA shares of Common Stock equal to greater than 19.99% of the shares of Common Stock outstanding immediately prior to the execution of the SEPA (the "SEPA Share Cap"), unless (i) the Company obtains stockholder approval to issue shares of Common Stock in excess of the SEPA Share Cap in accordance with applicable NYSE American rules, or (ii) the average price per share paid by the SEPA Investor for all of the shares of Common Stock that the Company directs the SEPA Investor to purchase from it pursuant to the SEPA, if any, equals or exceeds the lower of (a) the official closing price of the Common Stock on NYSE American immediately preceding the execution of the SEPA and (b) the average official closing price of the Common Stock on NYSE American for the five consecutive trading days immediately preceding the execution of the SEPA. On July 9, 2025, at the 2025 Annual Meeting, the Company's stockholders approved the issuance of shares pursuant to the SEPA in excess of the SEPA Share Cap. Moreover, in accordance with terms of the SEPA, the Company may not issue or sell any shares of Common Stock to the SEPA Investor under the SEPA which, when aggregated with all other shares of Common Stock then beneficially owned by the SEPA Investor and its affiliates (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 thereunder), would result in the SEPA Investor beneficially owning more than 4.99% of the then outstanding shares of Common Stock.

Actual sales of shares of Common Stock to the SEPA Investor under the SEPA will depend on a variety of factors to be determined by the Company from time to time, which may include, among other things, market conditions, the trading price of the Common Stock and determinations by the Company as to the appropriate sources of funding for its business and operations.

The SEPA will automatically terminate on the earlier of (i) the 36-month anniversary of the date of the SEPA and (ii) the date on which the SEPA Investor shall have made payment of Advances pursuant to the SEPA for Common Stock equal to the Commitment Amount. The Company has the right to terminate the SEPA at no cost or penalty upon five (5) trading days' prior written notice to the SEPA Investor, provided that (i) there are no outstanding Advance Notices for which shares of Common Stock need to be issued and (ii) the Company has paid all amounts owed to the SEPA Investor pursuant to the SEPA.

The net proceeds payable to the Company under the SEPA will depend on the frequency and prices at which Common Stock is sold. The Company was required to use any proceeds received under the SEPA to pay outstanding principal and interest under the Yorkville Promissory Note (as defined and described in Note 8) until the Yorkville Promissory Note was paid in its entirety. The Yorkville Promissory Note was repaid in full. However, all proceeds received by the Company under its SEPA are required to be applied to the repayment of the December 2025 Yorkville Promissory Note until it is paid in full (as defined and described in Note 8). After the December 2025 Yorkville Promissory Note is paid in full, the Company expects that proceeds received from such sales will be used primarily for working capital and general corporate purposes and for purposes of implementing its business plan focused on building a stable foundation for the future business.

Joseph Gunnar & Co., LLC acted as the sole placement agent for the private placement.

The SEPA is accounted for as a liability at fair value under ASC 815, *Derivatives and Hedging*, as it includes an embedded put option and an embedded forward contract that do not meet the indexed to equity and the equity classification scope exception. The put option is recognized at inception, and the forward option is recognized upon issuance of notice for the sale of the Company's Common Stock. The fair value of the derivative liability related to the embedded put option is included within SEPA liability on the consolidated balance sheet, and was estimated at $2,582,724 at inception of the agreement, with changes in fair value each reporting period recognized within change in fair value of SEPA liability on the consolidated statements of operations.

As consideration for the SEPA Investor’s commitment to purchase the shares of Common Stock pursuant to the SEPA, the Company incurred (i) a structuring fee payable to the SEPA Investor in the amount of $25,000, (ii) a commitment fee payable to the SEPA Investor in Common Stock in an amount equal to 1% of the Commitment Amount, or $1,000,000, to be paid 50% on execution of the SEPA and 50% 90 days following the date of the SEPA and (iii) legal expenses of $50,000 related to the issuance of the SEPA. Such fees are included within SEPA fees and issuance costs on the consolidated statements of operations for the year ended December 31, 2025 and SEPA liability on the consolidated balance sheet as of June 30, 2025. The 50% portion of the commitment fee payable that was owed at execution of the SEPA resulted in the issuance of 267,059 shares of Common Stock to the SEPA Investor during the second quarter of 2025. Additionally, on July 15, 2025, the Company issued the remaining 267,059 shares of Common Stock to the SEPA Investor.

As a result of the February 2026 Offering, the Company's use of the SEPA is subject to limitations set forth in the February 2026 Offering Purchase Agreement for a period of six months.

During the year ended December 31, 2025, the Company sold 9,485,923 shares of Common Stock under the SEPA for aggregate gross proceeds of approximately $21,937,886, before deducting cash fees and expenses of approximately $1,072,287. Of the total gross proceeds, approximately $1,261,880 was used to pay the outstanding principal and accrued interest under the YA Debenture.

From December 31, 2025 through the date of issuance of this Annual Report, the Company issued an additional 14,319,981 shares of Common Stock under the SEPA, generating gross proceeds of approximately $2,172,770 and the SEPA Investor holding 3,300,000 shares for future advances. Of these proceeds, $1,621,071 was used to repay a portion of the outstanding principal balance of the December 2025 YA Debenture, and $551,699 was applied to accrued interest on the December 2025 YA Debenture.

NOTE 13. STOCK-BASED COMPENSATION

As of December 31, 2025, the Company had an active stock-based incentive compensation plan and an employee stock purchase plan: the 2022 Equity Incentive Plan (the “2022 Plan”) and the 2022 Employee Stock Purchase Plan (the “ESPP”). All new equity compensation grants were issued under these two plans; however, outstanding awards previously issued under inactive plans will continue to vest and remain exercisable in accordance with the terms of the respective plans.

The 2022 Plan provides for the grant of stock and stock-based awards including stock options, restricted stock, restricted stock units, performance awards, and stock appreciation rights. Effective July 1, 2025, the shares available for grant under the 2022 Plan and the ESPP increased by 713,000 and 143,000 shares, respectively, in accordance with the terms of the respective plans. As of December 31, 2025, there were approximately 15,300 shares available for grant under the 2022 Plan and approximately 151,000 shares available for grant under the ESPP.

Stock-Based Compensation Expense

Total stock-based compensation expense recognized in the Company’s consolidated statements of operations is classified as follows:

	Year ended December 31,	
	2025	**2024**
Cost of revenue	$ 105,734	$ 466,658
Research and development	93,425	476,666
Selling and marketing [(1)]	360,639	(181,160)
General and administrative	1,232,742	1,103,931
Total stock-based compensation expense	$ 1,792,540	$ 1,866,095

(1) Amount presented for 2024 includes the reversal of stock compensation expense due to the departure of our Chief Marketing and Sales Officer in April 2024 and the resultant forfeiture of his unvested awards.

The Company’s stock-based compensation expense is based on the value of the portion of stock-based payment awards that are ultimately expected to vest. During the years ended December 31, 2025 and 2024, stock-based compensation relating to stock-based awards granted to consultants was $399,193 and $178,877, respectively. The 2025 amount includes expense that relates to the arrangements further described below under *Common Stock Issued for Services*.

Restricted Stock Units

Restricted stock units ("RSUs") granted by the Company under the 2022 Plan during the year ended December 31, 2025 vested at the grant date. The following table shows a summary of the Company's RSU activity for the year ended December 31, 2025:

	RSUs	
	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2024	915	$ 1,113.11
RSUs granted	711,023	$ 0.81
RSUs vested	(711,559)	$ 1.67
RSUs forfeited	(379)	$ 561.81
Unvested at December 31, 2025	—	$ —

The total grant date fair value of RSUs awarded was $576,924 and $246,000 during the years ended December 31, 2025 and 2024, respectively. The total grant date fair value of RSUs vested was $1,188,648 and $1,284,257 during the years ended December 31, 2025 and 2024, respectively.

As of December 31, 2025, there was no unrecognized stock-based compensation cost related to RSUs.

Stock Options

The Company's outstanding stock options generally vest on a monthly basis over a one-year period, subject to continued employment or service as a director, as the case may be, with the first installment beginning on the grant date, and generally expire 10 years from the date of the grant. All unvested options vest immediately upon a change in control, subject to the participant's continued employment or service as a director, as the case may be, through the occurrence of such event. Vested options are generally exercisable for three years after the participant ceases employment with the Company.

The following table shows a summary of the Company's stock option activity for the year ended December 31, 2025:

	Number of Stock Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Options outstanding at December 31, 2024	43,774	$ 203.58	7.1	$ 7,375.15
Options granted	49,599	$ 0.71		
Options cancelled or forfeited	(42,405)	$ 204.38		
Options outstanding at December 31, 2025	50,968	$ 4.80	9.5	$ 4,306.53
Options exercisable at December 31, 2025	13,696	$ 15.15	8.9	$ 1,076.57
Options vested and expected to vest at December 31, 2025	50,968	$ 4.80	9.5	$ 4,306.53

The weighted-average grant date fair value of options granted was $0.73 and $15.82 per share for the year ended December 31, 2025 and 2024, respectively.

As of December 31, 2025, total unrecognized stock-based compensation cost related to stock options was $29,307, which is expected to be recognized over a weighted-average period of 0.67 years.

The Company estimates the fair value of the options utilizing the Black-Scholes option pricing model, which is subjective and dependent upon several variables, including expected option term, expected volatility of the Company's share price over the expected term, expected risk-free interest rate over the expected option term and expected dividend yield rate over the expected option term. The Company uses the simplified method to estimate expected term of its stock options, which represents an estimate of the period of time utilizing the mid period of the vesting dates and the expiration date, because it does not have sufficient historical exercise data due to the recency of its IPO. The risk-free interest rate is based on the term structure of interest rates at the time of the option grant based on the determined term utilized. Expected volatility is based on the weighted average of the historical returns on our stock and a group of comparable companies. A summary of the weighted average assumptions the Company utilized for option grants during the years ended December 31, 2025 and 2024, respectively, are as follows:

	Year ended December 31,	
	2025	2024
Expected term (in years)	5.2	4.0
Expected volatility	134.0%	47.8% - 55.0%
Risk-free interest rate	3.7%	4.0% - 4.5%
Expected dividend yield	0.0%	0.0%

Common Stock Issued for Services

During 2025, the Company entered into arrangements with non-employee consultants for services to be provided in exchange for (i) the issuance of 767,573 shares of Common Stock, (a) 200,401 of which were equity-classified, with 100,201 of those shares relating to services previously provided and the remaining 100,201 shares relating to services to be provided over the term of the agreement, and (b) 567,173 of which were liability-classified, and for which all services have not yet been provided by the non-employee consultants, and (ii) the required quarterly issuance of a variable number of shares of Common Stock equal to $25,000, priced based on the average closing price of the Company's Common Stock for the previous five trading dates prior to issuance, which are liability-classified.

The amount of 567,173 shares of Common Stock was adjustable, as of the earlier of a resale registration statement's effectiveness or six months from the date of the agreement, to ensure an aggregate market value of $600,000, with shares of Common Stock forfeited if the value was higher and additional shares of Common Stock issued if lower. In accordance with this provision, during the year ended December 31, 2025, the Company issued an additional 285,598 shares of Common Stock. Additionally, as of December 31, 2025, the Company was required to issue 104,294 shares of Common Stock pursuant to the required quarterly issuances under the arrangement, of which 28,960 shares had not yet been issued as of December 31, 2025.

Equity-classified awards

Stock-based compensation expense for the equity-classified awards was recognized based on the fair value of the Company's Common Stock on the date of grant over the requisite service period. For the year ended December 31, 2025, the total stock-based compensation expense recognized for the equity-classified awards was $185,583. Additionally, as of December 31, 2025, as the non-employee consultants had not provided all services related to the 100,201 shares issued and the service term had not ended, $76,415 was recorded within prepaid expenses and other current assets on the consolidated balance sheet, which will be amortized using the straight-line method to stock-based compensation expense over the remaining requisite service period.

Liability-classified awards

Liability-classified awards represent compensation for services to be provided over the term of the agreements, and are measured based on a fixed monetary value to be paid to the non-employee consultants settled through the issuance of a variable number of shares of Common Stock.

For the year ended December 31, 2025, the total stock-based compensation expense recognized for the liability-classified awards was $175,000. As of December 31, 2025, $25,000 is included within accrued expenses on the consolidated balance sheet related to the required quarterly issuance of Common Stock. Additionally, as of December 31, 2025, as the non-employee consultants had not provided all services related to the 852,770 shares issued and the service term had not ended, $525,000 was recorded within prepaid expenses and other current assets on the consolidated balance sheets, which will be amortized using the straight-line method to stock-based compensation expense over the remaining requisite service period.

NOTE 14. INCOME TAXES

Due to its current operating losses, the Company recorded zero income tax expense during the years ended December 31, 2025 and 2024. During these periods, the Company's activities were limited to U.S. federal and state tax jurisdictions, as it does not have any significant foreign operations.

Loss before provision for income taxes consisted of the following:

	Year ended December 31,	
	2025	**2024**
United States	$ (79,041,101)	$ (34,515,754)
Foreign	(30,175)	—
Loss before provision for income taxes	$ (79,071,276)	$ (34,515,754)

A summary of the sources of differences between income taxes at the federal statutory rate and the provision for income taxes for the years ended December 31, 2025 and 2024, respectively, is as follows:

	Year Ended December 31,			
	2025		**2024**	
	Amount	**Rate**	**Amount**	**Rate**
Tax benefit at the statutory rate	$ (16,604,968)	21.0%	$ (7,249,161)	21.0%
Increase (decrease) in taxes resulting from:				
Loss on debt issuance and extinguishment	5,665,190	(7.2%)	4,305,904	(12.5%)
Warrant revaluations	4,756,738	(6.0%)	(443,080)	1.3%
Change in valuation allowance	3,480,066	(4.4%)	3,624,829	(10.5%)
Research and development credits	75,234	(0.1%)	(100,311)	0.3%
Foreign tax effects	6,337	0.0%	—	0.0%
State and local income taxes, net of federal income tax effect	119	0.0%	119	0.0%
Deferred tax true-ups and other	2,621,284	(3.3%)	(138,300)	0.4%
Total income tax expense (benefit)	$ —	0.0%	$ —	0.0%

Significant components of the Company's deferred income tax assets and liabilities are as follows:

	As of December 31, 2025	As of December 31, 2024
Deferred tax assets:		
Net operating loss carryforwards	$ 22,897,396	$ 16,979,615
Capitalized pre-business expenses	3,819,778	3,860,144
Research and development credits	1,235,627	1,310,860
Equity method investment	32,669	—
Stock-based compensation	438,028	1,019,432
Accrued expenses	143,978	219,423
Inventory reserve	—	282,905
Operating lease liability	—	57,817
Capitalized §174 research and development costs	980,189	1,966,559
Unrealized derivative gain/loss	—	34,368
Total deferred tax assets before valuation allowance	29,547,665	25,731,123
Less valuation allowance	(29,547,665)	(25,386,669)
Total deferred tax assets	—	344,454
Deferred tax liabilities		
Fixed assets	—	(295,152)
Right-of-use assets	—	(49,302)
Total deferred tax liabilities	—	(344,454)
Net deferred tax asset (liability)	$ —	$ —

Effective for tax years beginning after December 31, 2021, taxpayers are required to capitalize any expenses incurred that are considered incidental to research and experimentation ("R&E") activities under IRC Section 174. While taxpayers historically had the option of deducting these expenses under IRC Section 174, the December 2017 Tax Cuts and Jobs Act mandates capitalization and amortization of R&E expenses for tax years beginning after December 31, 2021. Expenses incurred in connection with R&E activities in the US must be amortized over a 5-year period if incurred, and R&E expenses incurred outside the US must be amortized over a 15-year period. R&E activities are broader in scope than qualified research activities that are considered under IRC Section 41 (relating to the research tax credit). For the year ended December 31, 2022, the Company performed an analysis based on available guidance and determined that it will continue to be in a loss position even after the required capitalization and amortization of its R&E expenses. The Company will continue to monitor this issue for future developments, but it does not expect R&E capitalization and amortization to require it to pay cash taxes now or in the near future. Also effective for tax years beginning after December 31, 2021, companies are subject to further limitations on the tax deductibility of interest expense, which becomes limited to approximately 30% of adjusted earnings before interest and income tax expense. Interest expense that is limited for tax purposes may be carried forward indefinitely.

Following the July 2025 enactment of the One Big Beautiful Bill Act and the creation of §174A of the Internal Revenue Code of 1986, as amended, the transition rules gave companies the option to either deduct unamortized domestic research and experimental (R&E) costs from 2022–2024 ratably over a two-year period or deduct them entirely in the first tax year beginning after December 31, 2024. Nuburu disclosed its decision to take the ratable deduction over the tax periods 2025 and 2026.

Due to the Company’s history of cumulative losses and after considering all the available objective evidence, management concluded that it is not more likely than not that all of the Company’s net deferred tax assets will be realized in the future. Accordingly, the Company’s deferred tax assets, which include net operating loss (“NOL”) carryforwards and tax credits related primarily to research and development, continue to be subject to a valuation allowance as of December 31, 2025 and 2024. The Company expects to continue to maintain a full valuation allowance until there is sufficient evidence to support recoverability of its deferred tax assets.

As of December 31, 2025 and 2024, the Company had approximately $96,000,000 and $72,000,000, respectively, of unused federal net operating losses and approximately $77,000,000 and $53,000,000, respectively, of unused state net operating loss carryforwards, that may be applied against future federal and state taxable income. These figures include approximately $2,000,000 of net operating losses as of December 31, 2025 and 2024, that expire in the year 2035 through 2038 with the remainder having an indefinite carryforward yet being subject to 80% limitation as a result of the Tax Cuts and Jobs Act. In addition, the Company had federal research credit carryforwards as of December 31, 2025 and 2024 of approximately $1,000,000, which will expire in the year 2035 through 2044 if not utilized.

As of December 31, 2025 and 2024, the Company has determined that it is more likely than not that the Company will not recognize the future tax benefit of the loss carryforwards and the capital losses, and has recognized a valuation allowance of $29,547,665 and $25,386,669, respectively. The valuation allowance increased by $4,160,996 during the year ended December 31, 2025.

Utilization of the NOL carryforwards and credits may be subject to a substantial annual limitation due to the ownership change limitations provided by Section 382 and Section 383 of the Internal Revenue Code of 1986, as amended, and similar state provisions. Generally, in addition to certain entity reorganizations, the limitation applies when one or more "5-percent stockholders" increase their ownership, in the aggregate, by more than 50 percentage points over a 36-month time period testing period, or beginning the day after the most recent ownership change, if shorter. The Company has determined that a Section 382 change in ownership occurred during the year ended December 31, 2023. As a result of this change in ownership, we expect that certain of the Company's NOLs may not be utilized in the future to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of the Company immediately prior to the ownership change. However, due to the full valuation allowance recorded as of December 31, 2025, the limitation does not affect the Company's results of operations for the periods presented.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

Balance at January 1, 2025	$	436,954
Reductions for tax positions of prior years		(25,079)
Balance as of December 31, 2025	$	411,875

NOTE 15. NET LOSS PER SHARE

During the year ended December 31, 2025, net loss available to common stockholders included an adjustment for (i) a deemed dividend of $3,076,380 related to the modification of pre-funded warrants and (ii) non-cash interest expense of $10,398,050 related to the subsequent remeasurement of the preferred stock liability after issuance through March 31, 2025 in connection with the reclassification of the preferred stock from mezzanine equity to a current liability on January 31, 2025. For additional information, see Notes 11 and 10, respectively.

Pre-funded warrants are included in basic and diluted weighted-average shares outstanding as they are exercisable for nominal consideration and are considered outstanding common stock equivalents. Contingently issuable shares are included in basic and diluted EPS only when all specified contingencies other than time have been satisfied. Shares issuable in connection with the SEPA are excluded from basic EPS because issuances are contingent on meeting price thresholds, volume limitations, and regulatory caps. As those contingencies were not satisfied as of December 31, 2025, no shares issuable under the SEPA were included in the denominator of basic EPS for the year ended December 31, 2025.

Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue Common Stock were exercised, vested, or converted into Common Stock, and is computed by dividing net income (loss) available to common stockholders by the weighted-average number of shares of Common Stock outstanding during the period, adjusted for the effect of potentially dilutive shares of Common Stock using the treasury stock or if-converted methods, as applicable. Diluted EPS for the years ended December 31, 2025 and 2024 excluded the effect of potentially dilutive shares of Common Stock because the effect of their inclusion would be anti-dilutive or would decrease the reported loss per share.

Basic and diluted EPS presented for the year ended December 31, 2025 includes 85,807 shares of Common Stock that the Company was required to issue but had not yet issued as of December 31, 2025.

The following securities were outstanding during the period but were not included in the computation of diluted EPS because their effect would have been anti-dilutive:

	Year ended December 31,	
	2025	2024
December 2025 YA Warrants	30,060,123	—
2025 Offering Placement Agent Warrants	673,617	—
If-converted Common Stock from convertible notes	412,705	3,338,133
2025 Offering Common Stock Warrants	377,460	—
Junior Note Warrants	172,209	172,208
If-converted Common Stock from Series A Preferred Stock[(1)]	21,933	23,937
Public Warrants	83,722	83,722
June 2023 Senior Note Warrants	67,177	67,177
Stock options outstanding	50,968	43,774
August 2024 Warrants Issued with Junior Notes	3,987	3,987
Unvested restricted stock units	—	915
Total	31,923,901	3,733,853

(1) Assumed that all shares of Series A Preferred Stock were converted into Common Stock at a conversion rate equal to $0.05 divided by $5.00, representing the maximum number of shares issuable to holders of Series A Preferred Stock.

NOTE 16. SEGMENT REPORTING

Operating segments are defined as components of an entity about which discrete financial information is evaluated regularly by the Chief Operating Decision Maker ("CODM") in deciding how to allocate resources and assess performance. The Company currently operates and manages its business as one business segment, which is dual-use, non-kinetic, and software-orchestrated solutions addressing modern security and resilience challenges across military, governmental, and civilian domains. Accordingly, the Company has one reportable segment. As the Company's business evolves and changes, it will evaluate any changes to its segment reporting. The Company has a single management team that reports to the Executive Chairman and Co-Chief Executive Officer, the Company's CODM, who comprehensively manages the entire Company. The accounting policies of the segment are the same as those described in the summary of significant accounting policies.

When evaluating the Company's financial performance, the CODM is regularly provided with more detailed expense information than what is included in the Company's statements of operations. The CODM uses net loss, as reported in the consolidated statements of operations, in evaluating the performance of the segment. Decisions regarding resource allocation are made primarily during the annual budget planning process and reallocated as needed throughout the year. The measure of segment assets is reported on the balance sheets as total assets.

The following table shows a reconciliation of the Company's net loss, including the significant expense categories regularly provided to and reviewed by the CODM, as computed under U.S. GAAP, to the Company's total net loss in the consolidated statements of operations:

	Year Ended December 31, 2025	Year Ended December 31, 2024
Revenue	$ —	$ 152,127
Cost of revenue:		
Materials	3,202	57,867
Direct labor	151,708	1,336,722
Direct job costs	(84,818)	222,835
Overhead	111,281	588,052
Total cost of revenue	181,373	2,205,476
Gross margin	(181,373)	(2,053,349)
Operating expenses:		
Research and development	174,559	1,821,816
Selling and marketing	4,671,975	468,074
General and administrative	13,348,686	8,807,651
Total operating expenses	18,195,220	11,097,541
Other segment expenses, net (1)	(60,694,683)	(21,364,864)
Segment net loss	$ (79,071,276)	$ (34,515,754)

(1) Other segment expenses, net consist of interest income, interest expense, equity in losses of unconsolidated affiliates, change in fair value of warrant liabilities, change in fair value of derivative liability, change in fair value of convertible note receivable, change in fair value of notes payable, change in fair value of SEPA liability, change in fair value of claims settlement liability, loss on issuance of warrants, loss on issuance of notes payable, loss on issuance of SEPA, loss on extinguishment of accounts payable, loss on extinguishment of notes payable, loss on extinguishment of claims liability, net, loss on settlement related to terminated acquisition, SEPA fees and issuance costs, gain on sale of intellectual property intangible assets, loss on impairment of inventories, property and equipment and operating lease right-of-use asset, interest expense recognized on remeasurement of preferred stock liability and other gain (loss), net.

NOTE 17. SUBSEQUENT EVENTS

Lyocon Acquisition

On January 15, 2026 (the "Lyocon Closing Date"), the Company consummated the previously announced acquisition (the "Lyocon Acquisition") of all of the ownership interests in Lyocon, an Italian laser-engineering and photonics company specializing in advanced laser sources, precision optical systems and customized laser platforms, from Paola Zanzola ("PZ") and Alessandro Sala ("AS" and, together with PZ, the "Sellers"). Pursuant to a Purchase and Sale Agreement (the "Lyocon Purchase Agreement"), the Company paid $2,000,000 in consideration (the "Lyocon Consideration") to the sellers, including (i) $750,000 in cash to the sellers on the Lyocon Closing Date, and (ii) a subordinated convertible note (the "Lyocon Convertible Note") in the principal amount of $625,000 to each of the sellers, which bears no interest, except in the event of a default, and has a maturity date six months after the Lyocon Closing Date (the "Lyocon Convertible Note Maturity Date"). At the Lyocon Convertible Note Maturity Date, the holder of a Lyocon Convertible Note may elect to convert all or a portion of the outstanding principal amount and accrued interest into shares of the Company's Common Stock, at a conversion price of $1.47, which equals the VWAP of the Common Stock during the 60 trading days immediately preceding the Lyocon Closing Date, adjusted for the reverse stock split. At the Lyocon Convertible Note Maturity Date, the holder of a Lyocon Convertible Note has the right to request the Company to satisfy all or a portion of the outstanding principal and accrued interest under such Lyocon Convertible Note in cash. The Company may elect to pay all or a portion of the outstanding principal amount and accrued interest under a Lyocon Convertible Note in cash in lieu of shares of Common Stock in the event the VWAP of the Common Stock during the 60 trading days immediately preceding the Lyocon Convertible Note Maturity Date is at least 30% higher than the conversion price.

Under the Lyocon Purchase Agreement, the sellers may receive an earn out payment of up to an aggregate of $1,000,000 (the "Earn-out Cap"), which would be earned over a 5-year period, with potential earn-out payments being made at the end of 2028 and the end of 2030, upon achievement of certain milestones.

The Company may provide $1,000,000 in funding to Lyocon in the form of capital contributions or other debt facility, at the Company's election (the "Lyocon Funding"), of which $500,000 was paid on the Lyocon Closing Date, $250,000 is due within 12 months of the Lyocon Closing Date, and the remaining $250,000 is due within 24 months of the Lyocon Closing Date, but not later than December 31, 2027. In the event that the Company ceases to hold more than a 50% interest in Lyocon, any unpaid Lyocon Funding amount will become due and payable upon such loss of control of Lyocon. If the Company fails to make a Lyocon Funding payment when due, which is not remedied within 30 days from written notice thereof, the sellers will be entitled to an earn-out amount of 30% of the Earn-out Cap.

Following the Lyocon Closing Date, Lyocon is managed by a board of directors (the "Lyocon Board") nominated by Nuburu Subsidiary; provided that PZ will be designated as a member of the Lyocon Board for an initial term of 3 years, renewable until the expiration of the five-year business plan developed by the parties. The Lyocon Board is now comprised of Dario Barisoni (Chairman and Executive Director), Alessandro Zamboni, and PZ (Executive Director). The Sellers are employed as managers of Lyocon and entitled to participate in a management equity incentive plan under which they may receive equity awards for Common Stock to be issued by the Company. Under the management equity incentive plan, (i) if the share price of Common Stock reaches $3.49 for over 20 consecutive trading days in 2026, the participant is entitled to equity awards equal to 0.07% of the Company's market cap; (ii) if the share price of Common Stock reaches $4.99 for over 20 consecutive trading days in 2026, the participant is entitled to equity awards equal to 0.10% of the Company's market cap; or (iii) if the share price of Common Stock reaches $9.98 for over 20 consecutive trading days in 2026, the participant is entitled to equity awards equal to 0.15% of the Company's market cap. The highest target achieved within 2026 determines the value of the equity award for 2026 for each Seller.

Orbit Acquisition and Amendment

As previously announced, in October of 2025, the Company entered into an agreement to acquire Orbit in tranches. Effective as of January 15, 2026, the Company closed on a second tranche of such acquisition, resulting in the Company owning approximately 22% of Orbit. The Board of Directors of Orbit has been reconstituted and is now comprised of Mr. Zamboni (Chairman and Executive Director), Mr. Barisoni, and Anthony D. Sinnott.

Subject to obtaining stockholder approval as required by NYSE American rules and the terms of the Orbit Agreement, the Company agreed to pay the non-cash portion of the Orbit Consideration in the amount of $8,750,000, by December 31, 2026, in the form of convertible preferred shares. On February 9, 2026, the parties to the Orbit Agreement entered into an amendment to issue 10,020,040 shares of Common Stock in lieu of the obligation to issue preferred shares (the "Orbit Amendment").

Since Orbit is wholly owned by Alessandro Zamboni, the Company's Executive Chairman and Co-Chief Executive Officer, indirectly through Vanguard, the Orbit Acquisition constitutes a related party transaction under U.S. securities laws and, as a result, the Orbit Acquisition, Orbit Agreement, and Orbit Amendment have been reviewed and approved by the Company's independent directors and its Audit Committee.

Tekne Transaction

January 2026 Tekne Agreements

As described in Note 7, in November of 2025, the Company entered into a letter of intent with Tekne regarding (i) the establishment of the Network Contract, (ii) the acquisition of an initial 2.9% interest in Tekne, and (iii) provision of the €13,000,000 Tekne Convertible Receivable. Effective as of January 13, 2026, the Company executed definitive agreements implementing the Network Contract, its initial 2.9% investment in Tekne, and the Tekne Convertible Receivable.

Network Contract. The Network Contract has an initial term ending December 31, 2030, which will be renewed on an annual basis thereafter unless a party terminates in writing at least 30 business days prior to December 31st. The Network Contract programs currently include (i) the Americas Program, pursuant to which Tekne is granting exclusive distribution rights for Tekne's products and solutions within the Americas to Nuburu Defense; (ii) the NATO MENA APAC Program, pursuant to which Tekne will supply its knowledge, workforce, and production and operational facilities, Nuburu Defense will provide guarantees, use its inventory purchasing hub for the purchase of receivables and bear the expenses in connection with legal, marketing, and representation activities and the establishment of regional production sites, and the parties may pursue joint ventures with local companies; and (iii) the Italy Program, which includes the joint study and proposal to Tekne's customers of the Company's products, the adoption by Tekne of the Company's operational resilience solutions through Orbit, and the possible implementation of cooperation models similar to the ones used in the NATO MENA APAC Program for orders for Italian customers. Activities under the Network Contract will be governed by a Common Body, which is composed of two representatives from each of Tekne and the Company. The Common Body includes Mr. Zamboni and Mr. Barisoni on behalf of the Company, and Ambrogio D'Arrezzo and another individual designated by Mr. D'Arrezzo on behalf of Tekne. Decisions require unanimous agreement of the members of the Common Body. The Company may also provide consultancy services to Tekne in exchange for 8% of the actual amounts used by Tekne under the Tekne Convertible Receivable.

Interest Acquisition. The Company entered into a share transfer and shareholder convertible loan agreement (the "Tekne Purchase Agreement"), with Mr. D'Arrezzo, Carlo Ulacco, and Andrea Lodi, the shareholders of Tekne (collectively, the "Tekne Shareholders"), pursuant to which the Company obtained a 2.9% interest in Tekne from Mr. D'Arrezzo and the Company issued to Tekne the Tekne Convertible Receivable. Under the Tekne Purchase Agreement, Mr. D'Arrezzo agreed to sell a 2.9% interest in Tekne to the Company, in exchange for the issuance of a Subordinated Convertible Note in the principal amount of $1,740,000 (the "Tekne Subordinated Convertible Note") by the Company to Mr. D'Arrezzo. The Tekne Subordinated Convertible Note may be converted into 1,394,790 shares of Common Stock at a fixed conversion price of $1.25 per share of Common Stock. The Tekne Subordinated Convertible Note has a maturity date of January 31, 2027, bears no interest except in the event of a default, and may not be repaid or redeemed in cash. The Tekne Subordinated Convertible Note may either be converted into shares of Common Stock following the receipt of the Italian government regulatory approvals required to approve the acquisition by the Company of a controlling interest in Tekne, or the Tekne Subordinated Convertible Note will be automatically extinguished upon the exercise of put and call options for the required transfer of the 2.9% interest in Tekne from the Company back to Mr. D'Arrezzo, if the required regulatory approvals are not obtained. Upon the transfer of the 2.9% interest to the Company, an Observer will be appointed to Tekne's board of directors acceptable to the Company, Mr. Sinnott will remain as a director of Tekne, certain administrative structures will be adopted by Tekne, Tekne will evaluate the adoption of Orbit's "operational resilience" platform, and Tekne's financial reporting processes will be adjusted to comply with U.S. GAAP.

Tekne Convertible Receivable. Under the Tekne Purchase Agreement, the Company issued the Tekne Convertible Receivable in the amount of €13,000,000 to Tekne by depositing loaned funds in a bank account pledged by Tekne to the Company. Tekne may use the loan proceeds for certain purposes set forth in the Tekne Purchase Agreement. The Tekne Convertible Receivable has a 4% per annum interest rate and a maturity date of January 13, 2027. Tekne may prepay the Tekne Convertible Receivable in whole or in part without penalty. The Company may request and obtain full repayment of the Tekne Convertible Receivable upon the repeated use of the loan for unapproved purposes, a change of control, or a negative outcome of the Italian government Golden Power review of the Company's anticipated acquisition of a controlling interest in Tekne. If the required Italian regulatory approvals are obtained, the Company may elect to receive newly issued shares of Tekne equal to a 25% interest in Tekne (the "Capital Increase") in consideration for issuing the Tekne Convertible Receivable. Any early repayment of the Tekne Convertible Receivable will not reduce the amount of the Capital Increase that the Company is entitled to make. Following the Capital Increase, the Company would own a 27.9% interest in Tekne and would receive governance rights in Tekne consistent with its ownership percentage in Tekne under new by-laws adopted by Tekne.

The Network Contract, Tekne Purchase Agreement, and Tekne Subordinated Convertible Note supersede and replace all prior agreements entered into by the Tekne Shareholders and the Company with respect to the Company's acquisition of ownership interests in Tekne.

March 2026 Tekne Letter

In a letter, dated March 19, 2026 (the "March Tekne Letter"), among the Company, Nuburu Defense and the Tekne Shareholders, the Company agreed to increase the amount of the Tekne Convertible Receivable from EUR 13,000,000 to EUR 16,692,000, which would represent a 32.1% interest in Tekne. The Company confirmed its intention to file an application to the *Presidenza del Consiglio dei Ministri* in accordance with the Italian Golden Power regulations ("GP Authorization") and to make the Capital Increase of EUR 13,000,000, which would represent a 25% interest in Tekne, upon receipt of the GP Authorization. Subject to obtaining GP Authorization, the Company plans to obtain a 60% interest in Tekne from (i) the 2.9% interest obtained from Mr. D'Arrezzo in January 2026, (ii) the conversion of the Tekne Convertible Receivable into a 32.1% interest in Tekne, and (iii) the 25% interest obtained from the Capital Increase. Thereafter, the Company plans to obtain an additional 10% interest in Tekne from the Tekne Shareholders on a pro-rata basis, for EUR 6,000,000 paid in cash, which would result in the Company's owning a 70% interest in Tekne.

Under the March Tekne Letter, the parties also agreed to (i) as part of a restructuring plan for Tekne under Italian law, a possible purchase or financial lease of an industrial complex located in the Municipality of Ortona (CH) in Contrada Villa Caldari and the development of further business lines between the Company, Nuburu Defense and Tekne, including the manufacture of mobile units for the dual-use production of drones and related components, and (ii) a spin-off from Tekne of its equity interest in Turismo Italia S.r.l. and certain vehicles. The Company, Nuburu Defense, and the Tekne Shareholders plan to negotiate in good faith and enter into definitive agreements to complete the transactions set forth in the March Tekne Letter.

Heckler & Koch AG Investment

As part of ongoing efforts to invest the Company's assets to build out its Defense and Security Platform, on February 6, 2026, we entered into a Securities Purchase Agreement (the "H&K Investment Agreement") with Brick Lane pursuant to which we acquired from Brick Lane 295,000 shares (or approximately 0.8% of the outstanding common shares) of Heckler & Koch AG ("H&K"), a leading manufacturer of small firearms for NATO and EU countries whose shares are listed on Euronext Paris under the ticker MLHK, for an aggregate purchase price of $15,000,000, which was paid by Subordinated Convertible Note (the "H&K Investment Note"). The H&K Investment Note bears no interest except in the event of a default, has a March 19, 2027 maturity date, and is convertible for $0.756 per share, which was the closing volume-weighted average price on the day prior to the execution date of the H&K Investment Agreement, adjusted for the reverse stock split. Conversion of the note is limited in the event stockholder approval or an increase in authorized shares is required, or when conversion would result in Brick Lane and its affiliates beneficially owning more than 9.9% of our then outstanding shares of Common Stock. The H&K Investment Note is subordinate to (i) the currently outstanding Series A Preferred Stock, solely with respect to dividend rights and rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, and (ii) the December 2025 YA Debenture. We are also required to file a registration statement for the resale of shares of common stock issuable upon conversion of the H&K Investment Note, which we anticipate will occur in April.

Transfer of Outstanding Preferred Stock

As part of our ongoing efforts to eliminate liabilities and return to compliance with NYSE stockholder equity requirements, on February 6, 2026, we entered into an exchange agreement with Indigo Capital, pursuant to which we agreed to issue a pre-funded warrant (the "Indigo Pre-Funded Warrants") in exchange for the transfer of 844,938 shares of our Series A Preferred Stock held by Indigo into our treasury (the "Indigo Exchange Agreement"). The 11,176,650 number of shares of Common Stock issuable under the Indigo Pre-Funded Warrants for a nominal exercise price of $0.0005 per share was determined using the closing volume-weighted average price on the day prior to the execution date of the Indigo Exchange Agreement. In accordance with the terms of the Indigo Pre-Funded Warrants, we may not issue or sell any shares of common stock to Indigo Capital under the Indigo Pre-Funded Warrants which would result in Indigo Capital and its affiliates beneficially owning more than 4.99% of the then outstanding shares of common stock. The Indigo Pre-Funded Warrants are exercisable immediately for three years until February 6, 2029.

February 2026 Offering

On February 17, 2026, the Company consummated a best efforts public offering (the "February 2026 Offering") of an aggregate of (i) 11,699,227 shares of Common Stock of the Company, (ii) pre-funded warrants (the "February 2026 Offering Pre-Funded Warrants") to purchase up to 10,162,680 shares of Common Stock (the "February 2026 Pre-Funded Warrant Shares"), and (iii) warrants (the "February 2026 Offering Common Warrants") to purchase up to 32,792,859 shares of Common Stock ("February 2026 Offering Common Warrant Shares"). Each purchaser of Shares (or February 2026 Offering Pre-Funded Warrants in lieu of Shares) received a February 2026 Offering Common Warrant exercisable for 150% of the aggregate number of Shares (or February 2026 Offering Pre-Funded Warrants in lieu of Shares) acquired by such purchaser. The combined offering price for each share of Common Stock and February 2026 Offering Common Warrant was $0.5489, and the combined offering price for each February 2026 Offering Pre-Funded Warrant and accompanying February 2026 Offering Common Warrant was $0.5484. The February 2026 Offering Pre-Funded Warrants have an exercise price of $0.0005 per share, are exercisable immediately and expire when exercised in full. Each February 2026 Offering Common Warrant has an exercise price per share equal to $0.6587 from the issuance date until the six-month anniversary of the issuance date and $0.5489 from the six-month anniversary of the issuance date until the five-year expiration date. The February 2026 Offering Common Warrants will be exercisable immediately for up to 18,218,255 February 2026 Offering Common Warrant Shares on a first come, first serve basis, with exercises for additional amounts being subject to the Company's having a sufficient number of available authorized shares.

The net proceeds of the February 2026 Offering, after deducting the fees and expenses of the February 2026 Placement Agent (as defined and described below) and other offering expenses payable by the Company, were approximately $11,000,000. The Company intends to use the net proceeds from the February 2026 Offering to pursue its announced business plans and for working capital and general corporate purposes.

In connection with the February 2026 Offering, on February 12, 2026, the Company entered into a Securities Purchase Agreement (the "February 2026 Purchase Agreement") with institutional investors. Pursuant to the February 2026 Purchase Agreement, the Company agreed not to issue, enter into any agreement to issue or announce the issuance or proposed issuance of any shares of Common Stock or any securities convertible into or exercisable or exchangeable for shares of Common Stock or file any registration statement or prospectus, or any amendment or supplement thereto for 60 days after the closing date of the February 2026 Offering, subject to certain exceptions. The Company agreed not to effect or enter into an agreement to effect any issuance of Common Stock or any securities convertible into or exercisable or exchangeable for shares of Common Stock involving a Variable Rate Transaction (as defined in the February 2026 Purchase Agreement) until the earlier of six months from the date of the February 2026 Purchase Agreement or the date as of which the purchasers no longer hold at least 75% of the securities acquired under the February 2026 Purchase Agreement, subject to certain exceptions. Additionally, in connection with the February 2026 Offering, each of the officers and directors of the Company entered into lock-up agreements, pursuant to which they agreed not to sell or transfer any of the Company securities they hold, subject to certain exceptions, during the 60 days following the closing of the February 2026 Offering.

The February 2026 Purchase Agreement contains customary representations, warranties, agreements, and indemnification obligations of the Company. The representations, warranties and covenants contained in the February 2026 Purchase Agreement were made only for the purposes of such agreement and as of specific dates, were solely for the benefit of the parties to such agreement and may be subject to limitations agreed upon by the contracting parties. A holder will not have the right to exercise any portion of the February 2026 Offering Common Warrants or February 2026 Offering Pre-Funded Warrants if the holder (together with its affiliates) would beneficially own in excess of 4.99% or 9.99%, as applicable, of the number of shares of Common Stock outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the February 2026 Offering Common Warrants or the February 2026 Offering Pre-Funded Warrants, respectively.

Pursuant to a Placement Agency Agreement (the "February 2026 Placement Agency Agreement") with Joseph Gunnar and Co., LLC (the "February 2026 Placement Agent"), the Company agreed to (i) pay a total cash fee equal to up to seven and a half percent (7.5%) of the aggregate gross proceeds raised in the February 2026 Offering for amounts up to and including $10,000,000, and an additional cash fee equal to six percent (6.0%) of the gross proceeds raised in the February 2026 Offering for amounts in excess of $10,000,000, (ii) reimburse for reasonable accountable and out-of-pocket expenses incurred relating to the February 2026 Offering up to $60,000, unless otherwise agreed, and (iii) issue to the February 2026 Placement Agent or its designees warrants (the "February 2026 Offering Placement Agent Warrants") to purchase up to an aggregate of 437,239 shares of Common Stock (the "Placement Agent Warrant Shares"). The February 2026 Offering Placement Agent Warrants have an exercise price of $0.6861 per share (which represents 125% of the combined public offering price per Share and accompanying February 2026 Offering Common Warrant), are exercisable beginning six months from the date of issuance and expire on the five-year anniversary of the closing date of the February 2026 Offering.

The shares of Common Stock, the February 2026 Offering Pre-Funded Warrants, the February 2026 Offering Pre-Funded Warrant Shares, the February 2026 Offering Common Warrants and a portion of the February 2026 Offering Common Warrant Shares were offered by the Company pursuant to a Registration Statement on Form S-1 filed with the SEC on February 10, 2026, under the Securities Act (File No. 333-293338), and declared effective by the SEC on February 12, 2026. The Company has agreed to maintain an effective registration statement for the resale of the initial February 2026 Offering Common Warrant Shares by investors and intends to file a registration statement in the future to register the remaining February 2026 Offering Common Warrant Shares not registered on this registration statement and the February 2026 Offering Placement Agent Warrant Shares. If at any time after the February 2026 Offering the February 2026 Offering Common Warrant Shares are not registered, a holder may exercise its February 2026 Offering Common Warrants on a cashless basis, subject to beneficial ownership limitations in the February 2026 Offering Common Warrants and the increase in available authorized shares.

February 2026 Reverse Stock Split

Trading of the Company's Common Stock was halted by NYSE American on February 13, 2026, because the trading price dropped below NYSE American's Minimum Trading Price of $0.10. The Company is conducting the February 2026 Reverse Stock Split immediately in order to return to compliance with the Minimum Trading Price requirement.

The February 2026 Reverse Stock Split became effective on February 27, 2026 (the "Effective Date") after the close of market and that the Common Stock began trading on a split-adjusted basis at the commencement of trading on March 2, 2026 under the Company's existing trading symbol "BURU." The Common Stock was assigned a new CUSIP number, 67021W 400, in connection with the February 2026 Reverse Stock Split.

Prior to the February 2026 Reverse Stock Split, the Company had approximately 609,081,058 shares of Common Stock outstanding. After the February 2026 Reverse Stock Split, the Company has approximately 122,060,332 shares outstanding. On the Effective Date, the total number of shares of Common Stock was exchanged for the number of shares of Common Stock equal to (i) the number of issued and outstanding shares of Common Stock immediately prior to the February 2026 Reverse Stock Split, divided by (ii) 4.99, with such resulting number of shares rounded up to the nearest whole share. As a result, no fractional shares were issued in connection with the February 2026 Reverse Stock Split. Also on the Effective Date, all equity awards outstanding immediately prior to the February 2026 Reverse Stock Split were adjusted to reflect the February 2026 Reverse Stock Split.

The February 2026 Reverse Stock Split was effected pursuant to the Company's filing of a Certificate of Amendment with the Secretary of State of the State of Delaware prior to the Effective Date. The Company is authorized to issue 900,000,000 shares of Common Stock and 50,000,000 shares of Preferred Stock. There was no change to the number of authorized shares of capital stock of the Company. The February 2026 Reverse Stock Split had no effect on the par value of the Common Stock or the Preferred Stock.

Immediately after the February 2026 Reverse Stock Split, each stockholder's percentage ownership interest in the Company and proportional voting power was unchanged, except for minor changes and adjustments that resulted from the treatment of fractional shares. The rights and privileges of the holders of shares of Common Stock were unaffected by the February 2026 Reverse Stock Split.

Maddox Joint Venture

On February 26, 2026, the Company and Nuburu Defense entered into a Contractual Joint Venture Agreement (the "Maddox Agreement"), with Maddox, pursuant to which the Company and Maddox have established a contractual joint venture for the development of a modular, containerized, mobile additive manufacturing platform capable of producing drone components, pods, mission-critical structural parts and related components for defense and security applications (the "Maddox Program" or the "Maddox Product").

Under the Maddox Agreement, the Maddox Program is structured in two phases. Phase I is the development phase, during which the Company will fund up to $4,000,000 (the "Development Funds") for Maddox's development of the first full operating container at its U.S. facility. The Company will be entitled to a governance, supervision, accounting, compliance and reporting allocation (the "Governance Allocation") equal to 10% of the Development Funds. The Company is entitled to a total reimbursable amount (the "Reimbursable Amount") consisting of the Development Funds actually funded and the Governance Allocation applicable to such Development Funds. During Phase I, a Steering Committee consisting of two representatives appointed by each of the Company and Maddox will supervise the execution of the Maddox Program. Decisions of the Steering Committee require majority approval and, in the event of a deadlock, the parties must follow the processes set forth in the Maddox Agreement. Phase I will continue until the Maddox Product has successfully completed factory and site acceptance testing and has been certified as market-ready by the Steering Committee.

Phase II is the commercialization phase, during which the parties will form a new entity ("NewCo") that will be owned 60% by the Company and 40% by Maddox. NewCo will be governed by a board consisting of five members, three of whom are appointed by the Company and two of whom are appointed by Maddox. NewCo will be the exclusive commercial vehicle for sales and production of the Maddox Product. During Phase II, until the Reimbursable Amount has been fully repaid to the Company, all distributable profits of NewCo will be allocated to the Company and Maddox's 40% equity interest in NewCo will be pledged in favor of the Company. Thereafter, distributions will be made in accordance with ownership percentages. NewCo will serve as prime contractor for U.S. and European Union ("EU")/NATO contracts to the extent permissible; provided that, if necessary, Maddox may act as prime contractor on behalf of NewCo for U.S. contracts and the Company or Tekne S.p.A., pursuant to a technology transfer agreement with the Company, may act as prime contractor on behalf of NewCo for EU/NATO contracts. Maddox will lead commercial engagement in the U.S. and the Company will lead commercial engagement in the EU and NATO territories.

The Maddox Agreement has an initial five-year term and will automatically renew for successive one-year terms unless a party provides notice of non-renewal at least 90 days prior to the expiration of the current term. The Maddox Agreement contains customary representations, warranties, confidentiality provisions, indemnification and insurance obligations, deadlock procedures, provisions defining material breach and gross negligence by a party, and termination provisions.

Cooperation Agreement with Beryl

On March 3, 2026, Nuburu Defense entered into an International Cooperation Agreement ("Beryl Agreement") with Tekne and Engineering Bureau Beryl LLC ("Beryl"), pursuant to which the parties will collaborate to support the deployment in Ukraine of a high-performance vehicle developed and manufactured by Tekne based on the Graelion platform, known as the "Tekne Graelion" (the "Graelion Product"). The Beryl Agreement provides a framework for the qualification, deployment, and coordinated industrial scaling of the Graelion Product in Ukraine. Tekne and Nuburu Defense are parties to the Network Contract, which is a specific form of joint-venture contractual agreement under Italian law, and this program is being entered into by Tekne and Nuburu Defense in connection with the Network Contract.

Beryl, a Ukrainian industrial company currently producing and supplying vehicles to Ukrainian military forces, is expected to verify compliance of the Graelion Product with the characteristics stated by the manufacturer, carry out mission-specific kit integration to bring the Graelion Product into conformity with the technical requirements of state customers in Ukraine, and demonstrate the Graelion Product to potential customers. Tekne will be the sole provider of the Graelion Product chassis and core technology required to operate the Graelion Product.

The Beryl Agreement provides a two-year exclusivity period during which (i) Beryl is prohibited from representing any product that competes with the Graelion Product, except for contracts entered into by Beryl prior to the effective date of the Beryl Agreement, and (ii) Tekne will not enter into negotiations with any other third party with respect to the deployment of the Graelion Product in Ukraine or development of the mission-specific kit integration of the Graelion Product. Under the Beryl Agreement, and as part of the Network Contract, Nuburu Defense and Tekne will establish a joint representative office in Kyiv to serve as the program's operational, industrial and compliance coordination center. Under the Beryl Agreement, Nuburu Defense may provide capital, advance payments, and procurement support, enabling Tekne to acquire materials and components for the Graelion Product. Nuburu Defense and Tekne will jointly assess and determine the economic feasibility of any transaction involving the Product, including pricing, margin structure and overall program profitability thresholds.

SYME 3 Bond Subscription Agreement

On March 12, 2026, the Company entered into a Bond Subscription Agreement (the "SYME 3 Agreement"), with SYME 3, pursuant to which the Company agreed to subscribe and pay for initial bonds issued by SYME 3 in the nominal value of €5,250,000 with a maturity date in March 2029 (the "Initial Bonds") for a subscription price of €5,250,000. SYME 3 is an affiliate of SYME. The full subscription price was paid on the issuance date by the offset of €4,824,294 in payments previously made by the Company to SYME 3 in September through November 2025 as SYME inventory advances.

SYME 3 may issue up to €30,000,000 in variable rate bonds due March 2029 (the "Bonds"), including the Initial Bonds, in order to fund inventory requirements of Tekne. The Bonds are held in dematerialized form with Euronext Securities Milan. The Bonds are obligations solely of SYME 3 and are secured by security interests in a *Pegno Non Possessorio* (a non-possessory pledge) under Italian law over the inventory of Tekne acquired with such funds and future receivables linked to such inventory; a pledge agreement over a bank account opened by SYME 3 entered into by SYME 3, as pledgor, and the Company, as secured creditor; and a pledge agreement over receivables and assignment of VAT receivables entered into by SYME 3, as pledgor, and the Company, as secured creditor. The Bonds accrue interest daily at a rate of 3-month Euro Interbank Offered Rate plus 7.5% per annum plus any additional margin (as provided in the SYME 3 Agreement), subject to a cap of 12% per annum, until the final maturity date in March 2029 (the "Final Maturity Date"). Interest payments are due on the 8th day of January, April, July and October, with the first payment date on July 8, 2026. Unless the Bonds are redeemed earlier, SYME 3 will redeem the Bonds at their principal amount outstanding at the Final Maturity Date. SYME 3 may redeem the Bonds early (i) at its option beginning after the first anniversary of the issuance date or (ii) in whole with 120 days' notice without penalty on any bond payment date after the date of imposition of certain tax withholdings or deductions as set forth in the SYME 3 Agreement. The Company (or, if applicable, the representative of the bondholders, including the Company) may request mandatory redemption on a bond payment date upon giving at least 120 days' notice prior to such bond payment date. The Bonds are freely transferable to a person or entity that qualifies as a "Professional Investor" under Italian law.

Exhibit 10.40

CONTRACTUAL JOINT VENTURE AGREEMENT

MOBILE ADDITIVE MANUFACTURING CONTAINER PROGRAM

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ARTICLE 1 - DEFINITIONS; INTERPRETATION

1.1 Definitions

Capitalized terms used in this Agreement shall have the meanings set forth below:

"Affiliate" means, with respect to any person or entity, any other person or entity that directly or indirectly controls, is controlled by, or is under common control with such person or entity. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies, whether through ownership of voting securities, by contract, or otherwise.

"Agreement" has the meaning set forth in the preamble and includes all Annexes and Schedules hereto, as each may be amended from time to time in accordance with this Agreement.

"Annex" means any annex attached to and incorporated into this Agreement, including Annex A (MVP Specifications) and Annex B (Capital Justification).

"Background IP" means any and all intellectual property, including inventions, discoveries, know-how, trade secrets, processes, techniques, data, software, algorithms, designs, documentation, copyrights, patents, patent applications, mask works, trademarks and other proprietary rights, that is (a) owned or controlled by a Party as of the Effective Date; or (b) developed by or for a Party outside the scope of the Project, including after the Effective Date, without use of the other Party's Confidential Information or Project materials, and excluding Phase I IP and NewCo IP.

"Board" means the board of directors (or equivalent governing body) of NewCo.

"Business Day" means any day other than a Saturday, Sunday, or a federal holiday in the United States.

"Business Plan" means the written plan for the Program approved as a Reserved Matter in Phase II, including commercialization, production strategy, resourcing, financial projections, and related implementation milestones, as amended from time to time pursuant to this Agreement and, after NewCo incorporation, the NewCo governance documents.

"Capital Justification" means the document attached as Annex B describing (among other things) the anticipated capital requirements, deployment approach, and compliance rationale for the Program.

"Confidential Information" has the meaning set forth in Article [Confidentiality] and includes all non-public technical, commercial, financial, and strategic information disclosed by one Party to the other in connection with the Program, including the existence and terms of this Agreement, except to the extent an exception applies.

"COGS" means Cost of Goods Sold, being the direct costs of production, integration, testing, delivery, and other direct costs expressly approved in advance by the relevant governing body (Steering Committee in Phase I; Board in Phase II) for purposes of budgeting and pricing governance.

"Development Funds" means the cash amounts funded by Nuburu for Phase I, up to a maximum of USD 4,000,000, subject to milestone-based release and approvals in accordance with this Agreement.

"Effective Date" has the meaning set forth in the preamble.

"Export Controls" means all applicable export controls, sanctions, and trade compliance laws and regulations, including the U.S. International Traffic in Arms Regulations ("ITAR"), the U.S. Export

Administration Regulations ("EAR"), U.S. sanctions programs, and applicable EU and Italian export control regimes, including any licensing, re-export, technology transfer, end-use and end-user restrictions.

"FAT" means Factory Acceptance Testing as defined in Annex A and/or the applicable Scope of Work, as approved from time to time.

"Funding Phase" means the economic sub-phase within Phase II beginning on the date of incorporation of NewCo and ending when Nuburu has recovered the Total Reimbursable Amount in accordance with Article [Funding Phase / Pledge / Waterfall].

"Gross Negligence" means an act or omission involving a reckless disregard of, or a conscious indifference to, the rights and safety of others or to the performance obligations hereunder, and which substantially departs from the standard of care that a reasonable and prudent contractor engaged in similar defense manufacturing and engineering activities would exercise under similar circumstances.

"Golden Power" means Italian strategic asset protection rules under Decree-Law 21/2012 (as amended) and related implementing measures and any successor regime.

"Maddox US Site" means the production facility in Texas leased and controlled by Maddox and designated for Phase I execution and Phase II U.S. production activities, subject to the terms of this Agreement.

"Material Breach" means a breach of this Agreement that (a) materially impairs the ability to achieve Phase I completion or materially impairs the Program; (b) involves breach of Export Controls, confidentiality, or IP protection obligations; or (c) results in material failure to deliver agreed work packages, milestone deliverables, or commercially reasonable IP documentation consistent with industry practice , in each case after expiration of any applicable cure period set forth herein.

"MNPI" means material non-public information as defined under U.S. federal securities laws with respect to Nuburu Inc. (NYSE American: BURU).

"NewCo" means the corporate joint venture entity to be incorporated in Phase II, owned 60% by Nuburu and 40% by Maddox, and intended to be the operating commercial entity for all Program sales and scale-up after Phase I completion.

"NewCo IP" means all intellectual property conceived, created, developed, or reduced to practice by or for NewCo in Phase II (including during the Funding Phase), whether or not patentable, and including all improvements, derivative works, and documentation generated within Phase II scope.

"Phase I" means the Development Phase described in Article 3, commencing on the Effective Date and ending upon Phase I Completion.

"Phase I Completion" means the point in time at which the First Container is (a) fully developed; (b) successfully FAT/SAT tested; (c) technically validated; (d) commercially reasonable IP documentation ; and (e) certified by the Steering Committee as market-ready, all as further detailed in the Scope of Work and Annex A.

"Phase I IP" means all intellectual property conceived, developed, created, reduced to practice, or documented in Phase I within the scope of the Program, including inventions, designs, software, know-how, engineering drawings, CAD files, additive manufacturing files, specifications, test plans and results, and related documentation.

"Phase II" means the Corporate Joint Venture Phase commencing upon Phase I Completion and the incorporation of NewCo.

“Prime Contractor” means the entity that contracts directly with the end customer (including U.S. government agencies) for a Program sale, and is legally responsible for performance under such customer contract.

“Project” means the Phase I development project to deliver the First Container and the broader Program activities as governed by this Agreement.

“Reserved Matters” has the meaning set forth in Article 6, differentiated by Phase I and Phase II.

“SAT” means Site Acceptance Testing as defined in Annex A and/or the applicable Scope of Work, as approved from time to time.

“Scope of Work” means the detailed project scope approved as a Phase I Reserved Matter, including a breakdown of activities, responsibilities, costs, timing, milestones, and deliverables required to achieve Phase I Completion.

“Steering Committee” means the Phase I governance body constituted under Article 5, consisting of two (2) representatives appointed by each Party.

“Tekne” means Tekne S.p.A. (Italy) as contemplated manufacturing and integration partner in Italy under the Network Contract and a Technology Transfer Agreement.

“Technology Transfer Agreement” or **“TT Agreement”** means the separate agreement to be executed between the applicable IP owner (Maddox and Nuburu in Phase I, and/or NewCo in Phase II as applicable) and Tekne governing the licensed transfer of technical information and manufacturing rights for Italy/EU production.

“Total Reimbursable Amount” means (a) the Development Funds actually funded by Nuburu in Phase I, plus (b) an amount equal to ten percent (10%) of such funded Development Funds, representing governance, accounting, supervision and administrative allocation, in each case as recognized and calculated in accordance with this Agreement. For avoidance of doubt, if Development Funds funded equal USD 4,000,000, then the Total Reimbursable Amount equals USD 4,400,000.

1.2 Interpretation

(a) The headings used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
(b) The words “include,” “includes,” and “including” shall be deemed to be followed by the words “without limitation.”
(c) References to an “Article,” “Section,” or “Annex” refer to an article, section, or annex of this Agreement unless otherwise specified.
(d) In the event of any conflict between the body of this Agreement and an Annex, the body of this Agreement shall control unless the Annex expressly states it controls with respect to the specific provision.
(e) References to currency are to U.S. Dollars unless otherwise specified.

ARTICLE 2 - PARTIES; RECITALS; PROGRAM OVERVIEW

2.1 Parties

This Agreement is entered into by and among Nuburu, Inc., a Delaware corporation, and its wholly owned subsidiary, Nuburu Defense, LLC, a Delaware limited liability company (“Nuburu Defense” and together with Nuburu, Inc. referred to herein collectively as “Nuburu”) and Maddox Defense Incorporated, a [__] corporation (“Maddox”)

2.2 Recitals

WHEREAS, the Parties previously executed a Strategic Framework Agreement dated October 21, 2025 reflecting an intention to collaborate on defense-oriented initiatives;

WHEREAS, Nuburu has developed a defense and security platform strategy and is prepared to sponsor and fund the Phase I Development Phase of the Program, subject to governance controls and compliance requirements;

WHEREAS, Maddox possesses U.S. defense-sector operational capabilities, relationships, and project execution capacity, and has secured the Maddox US Site for development and production activities;

WHEREAS, the Parties desire to develop and commercialize a modular, containerized, mobile additive manufacturing capability for expeditionary and defense sustainment manufacturing applications, including the ability to produce drone components, pods, and other mission-critical parts;

WHEREAS, Nuburu Defense LLC has entered into an Italian-law Network Contract with Tekne and anticipates that Tekne may be engaged for Italy/EU production activities and integration support pursuant to a separate TT Agreement, subject to compliance with Export Controls and Golden Power requirements;

WHEREAS, Maddox has provided the Capital Justification attached as Annex B outlining anticipated development and compliance cost categories and program execution rationale;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein, the Parties agree as follows.

2.3 Program Overview

(a) The Program shall be executed in phases as described in Article 3.
(b) Phase I is a development-only phase, ending upon Phase I Completion.
(c) Phase II is the corporate commercialization phase conducted through NewCo.
(d) During Phase I, Maddox Defense Incorporated (or, if the contracting entity differs, Maddox and its designated U.S. operating affiliate) shall be operationally accountable for U.S. project execution and deliverables, subject to Steering Committee governance and Nuburu’s sponsor rights.

ARTICLE 3 - ESTABLISHMENT; PHASE STRUCTURE; ECONOMIC FRAMEWORK

3.1 Establishment of Contractual Joint Venture

(a) Effective as of the Effective Date, the Parties hereby establish a binding contractual joint venture (the “JV”) for the purpose of executing the Program in accordance with the terms and conditions set forth herein.

(b) The JV is contractual in nature during Phase I and shall transition into a corporate joint venture structure through the formation of NewCo in Phase II as provided below.

(c) Except as expressly provided herein, nothing in this Agreement shall be deemed to create a general partnership, agency relationship, fiduciary relationship, or joint venture entity prior to incorporation of NewCo.

3.2 Phase Structure

The Program shall be executed in two distinct and sequential phases:

(a) Phase I – Development Phase

(i) Phase I shall commence on the Effective Date.

(ii) Phase I shall terminate upon "Phase I Completion," which shall occur when the First Full Operating Mobile Additive Manufacturing Container has:

1. Been fully engineered, integrated, and assembled;
2. Successfully completed Factory Acceptance Testing (FAT) and Site Acceptance Testing (SAT) in accordance with the approved Scope of Work;
3. Met the agreed technical performance metrics approved as a Reserved Matter;
4. Been documented to commercially reasonable IP documentation (including engineering drawings, CAD files, additive manufacturing files, integration schematics, test documentation, and version-controlled technical logs); and
5. Been formally certified as market-ready by resolution of the Steering Committee.

(iii) Phase I is strictly limited to development, industrialization, validation, documentation, and readiness activities.

(iv) No commercial sales, revenue recognition, or customer contracting shall occur during Phase I.

(b) Phase II – Corporate Joint Venture Phase

(i) Phase II shall commence immediately upon Phase I Completion.

(ii) Within thirty (30) days following Phase I Completion, the Parties shall incorporate a new corporate entity ("NewCo").

(iii) NewCo shall be owned:

- Sixty percent (60%) by Nuburu;
- Forty percent (40%) by Maddox.

(iv) From the date of incorporation, NewCo shall become the exclusive commercial vehicle for all Program-related sales, production, and commercialization activities.

3.3 Funding Phase (Economic Sub-Phase within Phase II)

(a) Upon incorporation of NewCo, and until the Total Reimbursable Amount has been fully repaid to Nuburu, the Program shall be deemed to be in the "Funding Phase."

(b) The Funding Phase is an economic sub-phase within Phase II and does not delay or alter the formation of NewCo.

(c) During the Funding Phase:

1. No dividends or profit distributions shall be made to Maddox;
2. One hundred percent (100%) of distributable profits of NewCo shall be allocated to Nuburu;

3. Maddox’s 40% equity interest in NewCo shall remain pledged in favor of Nuburu pursuant to Article [Share Pledge];

4. Dividends attributable to Maddox shall be automatically applied toward reimbursement of the Total Reimbursable Amount.

(d) The Funding Phase shall terminate automatically upon full reimbursement of the Total Reimbursable Amount.

3.4 Development Funds and Total Reimbursable Amount

(a) During Phase I, Nuburu shall fund up to USD 4,000,000 (the “Development Funds”) for purposes of executing the approved Scope of Work.

(b) In addition to the Development Funds, Nuburu shall be entitled to a governance, supervision, accounting, compliance, and reporting allocation equal to ten percent (10%) of the Development Funds.

(c) The “Total Reimbursable Amount” shall equal:

In consideration of oversight, governance, and strategic coordination during Phase I, Nuburu shall be entitled to a governance allocation equal to ten percent (10%) of the actual Development Funds funded and disbursed under Section 3.1.

For clarity:

(a) the governance allocation shall be calculated on a pro rata basis based solely on capital actually funded and used;
(b) for example: if less than $4,000,000 is funded, the allocation shall equal ten percent (10%) of the amount actually funded;
(c) no governance allocation shall accrue on unfunded or unused amounts;
(d) the governance allocation shall not compound and shall not bear interest.

The Total Reimbursable Amount shall equal the aggregate of actual Development Funds funded plus the corresponding pro rata governance allocation.

(d) The Parties acknowledge and agree that reimbursement of the Total Reimbursable Amount is a condition precedent to unrestricted distribution of profits to Maddox in Phase II.

3.5 No Implied Economic Rights in Phase I

(a) Notwithstanding the joint ownership structure of Phase I IP as set forth in Article 5, no economic distribution rights shall arise in favor of Maddox during Phase I.

(b) Maddox shall not be entitled to any profit participation, revenue sharing, or economic return during Phase I.

(c) All economic returns shall arise solely in Phase II through NewCo and subject to the Funding Phase waterfall described herein.

3.6 Survival of Phase I Obligations

The following obligations arising in Phase I shall survive the transition to Phase II:

- Intellectual property assignments;
- Documentation requirements;
- Confidentiality obligations;

- Indemnification obligations;
- Export control compliance;
- Any outstanding breach claims.

3.7 Relationship Between Phases

(a) Phase I and Phase II are sequential and structurally linked.

(b) Phase I Completion is a technical and operational milestone.

(c) Reimbursement of the Total Reimbursable Amount is an economic milestone within Phase II.

(d) The incorporation of NewCo shall not extinguish any rights accrued in Phase I.

ARTICLE 4 - PURPOSE; SCOPE OF PROGRAM; TERRITORIAL STRUCTURE

4.1 Purpose of the Joint Venture

The purpose of the JV is to design, engineer, industrialize, manufacture, integrate, validate, and commercialize a modular, containerized, mobile additive manufacturing platform (the "Program") capable of producing drone components, pods, mission-critical structural parts, and related sustainment components for defense and security applications.

The Parties acknowledge that the Program is intended to serve:

(a) United States federal, state, and defense customers;
(b) European Union member states;
(c) NATO-aligned procurement channels; and
(d) Other defense or dual-use markets as may be approved in Phase II.

The Program shall initially focus on the development and commercialization of the First Full Operating Container in the United States.

4.2 Scope of Program – Phase I (Development Phase)

During Phase I, the scope of the Program shall be strictly limited to development and industrial readiness activities, including:

(a) Engineering design and refinement of the container architecture;
(b) Integration of additive manufacturing systems;
(c) Electrical, mechanical, and environmental system integration;
(d) Compliance engineering and regulatory groundwork;
(e) FAT and SAT testing procedures;
(f) Production workflow design and industrialization preparation;
(g) Commercially reasonable IP documentation technical documentation;
(h) Validation of performance metrics approved in the Scope of Work.
No commercial sales shall occur during Phase I.

All activities during Phase I shall be executed pursuant to the detailed Scope of Work approved as a Phase I Reserved Matter.

4.3 Scope of Program – Phase II (Commercialization Phase)

Upon incorporation of NewCo, the scope of the Program shall expand to include:

(a) Commercial marketing and contracting;
(b) Serial production and fulfillment of customer orders;
(c) Supply chain management;
(d) Customer training and sustainment support;
(e) Ongoing R&D improvements;
(f) Filing and prosecution of patents;
(g) Export licensing and compliance management;
(h) Strategic expansion into additional product variants.

NewCo shall serve as the exclusive commercial vehicle for the Program during Phase II.

4.4 Territorial Structure – United States

4.4.1 Phase I

During Phase I:
(a) Maddox shall be operationally accountable for execution of development activities within the United States territory;
(b) Maddox shall manage U.S.-based engineering personnel and integration functions;
(c) Maddox shall ensure that deliverables satisfy approved milestones.

Maddox's territorial responsibility during Phase I does not confer ownership rights beyond those expressly stated in Article 5.

4.4.2 Phase II

During Phase II:

(a) NewCo shall serve as Prime Contractor for U.S. sales where legally permissible;
(b) Where legal, regulatory, or customer-specific requirements mandate, Maddox may act as Prime Contractor on behalf of NewCo;
(c) Production for U.S. contracts shall be localized at the Maddox US Site or another U.S. facility approved as a Reserved Matter;
(d) All revenues from U.S. sales shall be remitted to NewCo;
(e) Maddox shall comply with Board-approved pricing, COGS, and commercial policies.

4.5 Territorial Structure – European Union and NATO

4.5.1 Phase I

During Phase I, any EU-based engineering or industrialization activities shall be coordinated under Nuburu supervision and may involve Tekne pursuant to the Network Contract.

No commercial sales shall occur in EU/NATO during Phase I.

4.5.2 Phase II

During Phase II:

(a) NewCo shall serve as Prime Contractor for EU/NATO contracts where permissible;
(b) Nuburu (or Tekne pursuant to a Technology Transfer Agreement) may act as Prime Contractor where required by law or customer procurement structure;

(c) Production for EU/NATO contracts shall be localized in Italy or other approved EU facilities;
(d) All EU/NATO revenues shall be remitted to NewCo;
(e) EU/NATO commercialization shall comply with Golden Power and Export Controls.

4.6 Allocation of Commercial Leadership

The Parties agree as follows:

(a) Maddox shall lead commercial engagement, market access and contracting interface within the United States;
(b) Nuburu shall lead commercial engagement and regulatory interface within the European Union and NATO territories;
(c) Neither Party may independently commercialize the Program outside the JV structure except as permitted under Article 7.3.2 (Independent Commercialization following Phase II Deadlock).

4.7 Export Controls; Regulatory Compliance

(a) All activities under this Agreement shall comply with applicable Export Controls, including ITAR, EAR, and EU export regulations.

(b) Technical data subject to ITAR shall be segregated and handled in compliance with U.S. law.

(c) The Parties shall cooperate in connection with any required Golden Power filings or mitigation measures in Italy.

(d) The Steering Committee (Phase I) and Board (Phase II) shall approve export compliance strategy as a Reserved Matter.

4.8 No Scope Creep

The Program scope may not be expanded to include:

- Directed-energy weapon systems;
- RF jamming systems;
- Standalone laser weapon platforms;
- Fully integrated C4ISR architectures;

unless expressly approved as a Phase II Reserved Matter.

4.9 No Independent Territorial Exploitation

Except as expressly permitted in this Agreement:

(a) Neither Party shall independently market or sell the Program outside the JV structure;
(b) Neither Party shall license Program IP to third parties outside NewCo;
(c) All territorial commercialization shall occur through the agreed governance framework.

ARTICLE 5 - PHASE I GOVERNANCE; STEERING COMMITTEE AUTHORITY; MADDOX ACCOUNTABILITY

5.1 Establishment of Steering Committee

(a) Upon execution of this Agreement, the Parties shall constitute a Steering Committee to govern Phase I.
(b) The Steering Committee shall consist of:

- Two (2) representatives appointed by Nuburu; and
- Two (2) representatives appointed by Maddox.

(c) Each Party may replace its appointed representatives upon written notice.

(d) The Steering Committee shall hold its first meeting within ten (10) Business Days of the Effective Date.

5.2 Mandate of the Steering Committee (Phase I)

During Phase I, the Steering Committee shall serve as the supervisory and approval body for Project execution.

The Steering Committee shall have authority to:

1. Approve the detailed Scope of Work for Phase I;
2. Approve the Project Roll-Out Plan, including:
    - o Technical architecture;
    - o Work packages;
    - o Assigned responsibilities;
    - o Milestone schedule;
    - o Deliverables;
    - o Resource allocation;
    - o Budget allocation per workstream;
3. Approve milestone-based release of Development Funds;
4. Approve suppliers and consultants following benchmarking review;
5. Approve related-party engagements;
6. Monitor milestone performance and compliance;
7. Review documentation sufficiency for Commercially reasonable IP documentation;
8. Oversee regulatory, export-control, and compliance framework;
9. Approve any material deviation exceeding ten percent (10%) of approved work package budget;
10. Certify Phase I Completion.

The Steering Committee shall not be responsible for day-to-day operational management.

5.3 Meetings and Procedures

(a) The Steering Committee shall meet at least monthly during Phase I.

(b) Meetings may be held in person or virtually.

(c) Quorum requires at least one representative from each Party.

(d) Minutes shall be recorded and circulated within five (5) Business Days.

5.4 Decision-Making and Voting

(a) Except as otherwise specified, decisions of the Steering Committee require majority approval.

(b) Reserved Matters defined in Article 6.1 require approval in accordance with that Article.

(c) In the event of Deadlock concerning a Phase I Reserved Matter, Article 7.2 shall apply.

5.5 Maddox Operational Accountability (United States)

(a) During Phase I, Maddox shall be the operationally accountable Party for execution of development activities within the United States.

(b) Maddox shall be responsible for:

1. Delivering all approved work packages;
2. Meeting milestone deadlines;
3. Managing U.S.-based engineering and integration personnel;
4. Coordinating subcontractors approved by the Steering Committee;
5. Ensuring compliance with approved technical specifications;
6. Producing required Commercially reasonable IP documentation ;
7. Implementing corrective action plans if milestones are at risk.

(c) Maddox's accountability does not confer ownership rights beyond those set forth in Article 5.8.

5.6 Sponsor Authority and Capital Control

(a) Nuburu is the sole funding Party during Phase I.

(b) No capital expenditure may be incurred beyond approved budgets without Steering Committee approval.

(c) Nuburu retains prevailing authority in the event of Phase I Deadlock pursuant to Article 7.2.

(d) Nothing in this Article shall permit Maddox to impose financial obligations on Nuburu beyond approved Development Funds.

5.7 Benchmarking and Supplier Discipline

5.7.1 Pre-Approval Benchmarking

Prior to approval of any supplier, professional, or consultant:

- A benchmarking and comparison analysis shall be prepared;
- Market alternatives evaluated where reasonably available;
- Scope, pricing, and deliverables documented;
- Related-party status disclosed;
- Steering Committee approval obtained.

5.7.2 Post-Approval Monitoring

Once approved:

- Performance shall be monitored against milestones;
- Monthly progress reports required;
- Steering Committee may require corrective action;
- Nuburu may suspend funding for material underperformance.

5.8 Intellectual Property Oversight (Phase I)

(a) The Steering Committee shall review documentation adequacy prior to Phase I Completion certification.

(b) Maddox shall ensure all engineering, design, testing, and manufacturing documentation is sufficiently detailed to support:

- Patent filings;
- Trade secret protection;
- Regulatory audit defensibility.

(c) Failure to produce required documentation constitutes Material Breach.

5.9 Material Breach Determination (Phase I)

(a) If Nuburu believes Maddox has committed a Material Breach or Gross Negligence:

- Written notice shall be delivered;
- Maddox shall have thirty (30) days to cure;
- The Steering Committee shall evaluate cure sufficiency.

(b) If the breach is not cured and Deadlock arises, Nuburu may exercise prevailing authority under Article 7.2.

5.10 Suspension and Termination Authority

(a) Upon unresolved Phase I Deadlock, Nuburu may:

- Continue Phase I;
- Modify scope;
- Replace suppliers;
- Suspend development;
- Terminate Phase I.

(b) If Phase I is terminated due to Maddox Material Breach or Gross Negligence:

- Conditional forfeiture provisions under Article 5.8.2 shall apply;
- Nuburu shall retain sole ownership of Phase I IP.

5.11 Maddox Protection Clause

Maddox's performance obligations under Phase I shall be expressly conditioned upon timely receipt of approved funding from Nuburu.

Failure by Nuburu to fund approved budget items, capital expenditures, or operating expenses when due shall:

(a) automatically suspend corresponding performance obligations;
(b) extend all affected milestones on a day-for-day basis;
(c) not constitute a breach by Maddox; and
(d) preclude invocation of any Material Breach remedy based on such delay.

No Material Breach shall be deemed to exist where performance failure results directly or indirectly from funding delay, scope modification, force majeure, regulatory delay, or supplier delay outside Maddox's reasonable control. For clarity, no suspension, delay, or milestone extension resulting from funding delay shall constitute a Material Breach under Article 15 or trigger any forfeiture of Joint IP or equity under this Agreement.

5.12 No Fiduciary Relationship

The Steering Committee does not create fiduciary duties between the Parties beyond those expressly stated herein.

Each Party retains independent commercial interests.

5.13 Recordkeeping and Audit Rights

(a) Maddox shall maintain detailed records of:

- Work performed;
- Milestone achievement;
- Time allocation;
- Costs incurred.

(b) Nuburu shall have audit rights upon reasonable notice.

ARTICLE 6 - RESERVED MATTERS

6.1 General Framework

(a) Reserved Matters are decisions of material strategic, financial, technical, regulatory, or structural significance that require formal approval by the governing body applicable to the relevant Phase.

(b) During Phase I, Reserved Matters shall require approval of the Steering Committee in accordance with Article 5.

(c) During Phase II, Reserved Matters shall require approval of the Board of NewCo in accordance with the governance documents of NewCo.

(d) Failure to approve a Reserved Matter in accordance with this Article may give rise to Deadlock pursuant to Article 7.

PART A

6.2 Phase I Reserved Matters

(Project Execution Governance)

The following shall constitute Reserved Matters during Phase I:

(A) Scope and Technical Architecture

1. Approval or amendment of the detailed Scope of Work;
2. Approval of the technical architecture of the First Container;

3. Material changes to engineering design;

4. Approval of integration standards and technical validation criteria.

(B) Project Roll-Out Plan

5. Approval or amendment of the Project Roll-Out Plan, including:

   o Work package breakdown;

   o Assignment of responsibilities;

   o Milestone schedule;

   o Deliverables;

   o Resource allocation;

   o Budget allocation per workstream.

6. Approval of any deviation exceeding ten percent (10%) of the approved budget for any work package.

(C) Capital Deployment

7. Approval of milestone-based release of Development Funds;

8. Approval of any additional funding request exceeding the approved Development Funds;

9. Approval of any incurrence of debt or third-party financing during Phase I.

(D) Supplier and Contractor Engagement

10. Approval of any supplier, subcontractor, consultant, or professional engagement (for sake of clarity, negotiations and execution of the suppliers' contract shall be managed directly by Nuburu)

11. Approval of any related-party engagement.

(E) Intellectual Property

13. Approval of any patent filing strategy during Phase I;

14. Disclosure of technical data to third parties;

15. Licensing of Phase I IP to any third party.

(F) Regulatory and Compliance Matters

16. Approval of export-control compliance strategy;

17. Approval of Golden Power filings or mitigation strategies;

18. Approval of cybersecurity framework affecting technical data.

(G) Suspension or Termination

19. Suspension of Phase I;

20. Termination of Phase I.

6.3 Sponsor Authority in Phase I

Notwithstanding Section 6.2:

(a) In the event of Phase I Deadlock concerning any Phase I Reserved Matter, Nuburu's decision shall prevail pursuant to Article 7.2.

(b) No Phase I Reserved Matter may result in an increase of Development Funds without Nuburu's prior written consent.

PART B

6.4 Phase II Reserved Matters

(Corporate & Strategic Governance)

Upon incorporation of NewCo, the following matters shall constitute Reserved Matters requiring approval of the Board:

(A) Corporate Structure

1. Amendment of NewCo's certificate of incorporation or bylaws (or operating agreement);
2. Issuance of new shares or securities;
3. Capital increases or reductions;
4. Creation of new classes of equity;
5. Admission of new shareholders.

(B) Financial Governance

6. Approval or amendment of the annual Business Plan;
7. Approval of annual operating budget;
8. Incurrence of indebtedness exceeding 5% of NewCo total assets;
9. Provision of guarantees or security interests;
10. Approval of dividend distributions.

(C) Strategic Transactions

11. Merger, acquisition, joint venture, or sale of material assets;
12. Entry into long-term strategic partnerships;
13. Entry into contracts exceeding 5% of NewCo total assets.

(D) Intellectual Property

14. Filing, prosecution, abandonment or settlement of material patents;
15. Licensing of NewCo IP outside ordinary course;
16. Sale or assignment of NewCo IP;
17. Settlement of IP litigation.

(E) Commercial Strategy

18. Entry into new geographic markets;
19. Approval of pricing methodology;
20. Approval of COGS methodology;
21. Appointment of exclusive distributors.

(F) Related-Party Transactions

22. Any transaction between NewCo and a Party or its Affiliates outside ordinary course;
23. Compensation arrangements with directors or officers of NewCo exceeding approved thresholds.

(G) Change of Control

24. Approval of Change of Control of NewCo;

25. Structural adjustments in response to FOCI or export restrictions.

6.5 Voting Thresholds in Phase II

(a) Unless otherwise agreed in NewCo's constitutional documents, Reserved Matters shall require unanimous Board approval.

(b) Deadlock concerning Phase II Reserved Matters shall be resolved in accordance with Article 7.3.

6.6 No Implied Authority

Except as expressly provided in this Article:

(a) No Party may bind the JV or NewCo in respect of a Reserved Matter without proper approval.

(b) Day-to-day operational decisions shall not be deemed Reserved Matters unless they exceed the financial or strategic thresholds defined herein.

6.7 Interpretation and Conflict

(a) In the event of ambiguity as to whether a matter constitutes a Reserved Matter, the more conservative interpretation requiring approval shall apply.

(b) Any material action taken without required approval shall be voidable at the option of the non-approving Party.

ARTICLE 7 - DEADLOCK; ESCALATION; BUYOUT MECHANISM

7.1 Definition of Deadlock

A "Deadlock" shall be deemed to occur if:

(a) A Reserved Matter fails to receive the required approval after two (2) duly convened meetings of the applicable governing body; or

(b) A Reserved Matter requiring unanimous approval remains unresolved fifteen (15) Business Days after written notice by either Party requesting formal resolution; or

(c) The applicable governing body is unable to agree on a material decision that materially impairs execution of the Project or operation of NewCo.

Deadlock shall be resolved differently depending on whether it arises in Phase I or Phase II.

PART A

7.2 Deadlock During Phase I (Development Phase)

7.2.1 Escalation Procedure

Upon occurrence of a Phase I Deadlock:

(a) The matter shall be escalated to the Chief Executive Officers (or equivalent senior executive) of each Party within ten (10) Business Days;

(b) The CEOs shall meet (in person or virtually) within fifteen (15) Business Days following escalation;

(c) The Parties shall attempt in good faith to resolve the Deadlock within thirty (30) Business Days following escalation.

7.2.2 Sponsor Prevailing Authority

If the Phase I Deadlock remains unresolved following the escalation period:

(a) Nuburu's decision shall prevail and be binding upon the Parties;

(b) Nuburu may, in its sole discretion:

i. Continue Phase I in accordance with its proposed course of action;
ii. Modify scope, suppliers, or implementation approach;
iii. Suspend Phase I;
iv. Terminate Phase I.

(c) Nuburu's prevailing authority shall not impose additional financial obligations on Maddox beyond those expressly agreed herein.

7.2.3 Consequences of Termination in Phase I

If Nuburu elects to terminate Phase I:

(a) All Phase I IP shall remain subject to Article 5.8 (including conditional forfeiture provisions where applicable);

(b) If termination is caused by Maddox's Material Breach or Gross Negligence:

i. Maddox's forty percent (40%) interest in Phase I IP shall automatically transfer to Nuburu in accordance with Article 5.8.2;

(c) Nuburu may continue development independently or with third parties;

(d) Maddox shall have no right to use or commercialize Phase I IP except as expressly permitted.

7.2.4 No Buyout in Phase I

For avoidance of doubt:

There shall be no independent valuation buyout mechanism applicable to Phase I.

The economic sponsor structure of Phase I shall govern.

PART B

7.3 Deadlock During Phase II (NewCo Phase)

7.3.1 Escalation Procedure

Upon occurrence of a Phase II Deadlock:

(a) The matter shall be escalated to the Chief Executive Officers within ten (10) Business Days;

(b) The CEOs shall attempt resolution within fifteen (15) Business Days;

(c) If unresolved after thirty (30) Business Days following escalation, the Buyout Mechanism described below shall apply.

7.3.2 Funding, Export and Securities Matters

Notwithstanding the above, for Deadlocks involving:

- Capital structure or financing method;
- Expenditures funded solely by Nuburu;
- Export-control compliance;
- Securities-law compliance or disclosure obligations;

Nuburu shall retain final decision-making authority, provided that:

(a) No financial obligation is imposed on Maddox without its written consent; and
(b) Such decision is exercised in good faith and consistent with NewCo's best interests.

7.3.3 Independent Valuation Buyout

If Phase II Deadlock remains unresolved after escalation:

Either Party may initiate a Buyout Process by written notice.

(a) Appointment of Valuator

Within ten (10) Business Days of Buyout notice:

- The Parties shall jointly appoint an independent valuation firm of nationally recognized standing with experience in defense, aerospace or advanced manufacturing businesses;
- If no agreement is reached within ten (10) Business Days, each Party shall appoint one valuation firm, and such two firms shall appoint a third independent firm to act as sole valuator.

(b) Valuation Standard

The valuator shall determine the Fair Market Value of NewCo as a going concern, using customary methodologies including discounted cash flow, comparable transactions and market multiples.

No minority discount or control premium shall apply.

The valuation shall be completed within forty-five (45) Business Days.

The determination shall be final and binding absent manifest error.

7.3.4 Buyout Election

Upon issuance of the valuation:

(a) Either Party may elect to purchase the other Party's equity interest at its pro-rata portion of the determined Fair Market Value;

(b) If both Parties elect to purchase, Nuburu shall have priority as the majority shareholder;

(c) If neither Party elects within thirty (30) Business Days, Section 7.3.5 shall apply.

7.3.5 No Buyout Election – Wind-Down and IP Allocation

If neither Party elects to purchase:

(a) NewCo shall be wound down in an orderly manner;

(b) All NewCo IP shall remain jointly owned:

- 60% Nuburu
- 40% Maddox

(c) Each Party shall have the right to independently commercialize the IP;

(d) The Party independently commercializing shall pay to the other Party a royalty equal to five percent (5%) of net revenues derived from such commercialization for a period of three (3) years;

(e) Following expiration of the three-year period, no further royalty shall be payable.

7.3.6 Interim Operations During Phase II Deadlock

During the Deadlock process:

(a) No Party shall be required to contribute additional capital;
(b) No new material obligations may be undertaken without mutual consent;
(c) Existing customer contracts shall continue to be performed in good faith;
(d) Operations shall continue under the last approved budget.

7.4 Survival

The provisions of this Article shall survive termination of this Agreement to the extent necessary to enforce rights and obligations arising from a Deadlock situation.

ARTICLE 8 - INCORPORATION OF NEWCO; GOVERNANCE; SHARE PLEDGE; FUNDING PHASE WATERFALL

8.1 Incorporation of NewCo

(a) Within thirty (30) Business Days following Phase I Completion, the Parties shall cause the incorporation of a new corporate entity ("NewCo") under the laws of [Delaware / agreed jurisdiction].

(b) NewCo shall serve as the exclusive commercial vehicle for all Program commercialization activities during Phase II.

(c) The certificate of incorporation and bylaws, or operating agreement, of NewCo shall be consistent with the terms of this Agreement and shall include appropriate restrictions to enforce the Funding Phase and Share Pledge provisions set forth herein.

8.2 Capitalization and Ownership Structure

(a) Upon incorporation, NewCo shall be owned as follows:

- Sixty percent (60%) of the issued and outstanding equity interests by Nuburu;
- Forty percent (40%) of the issued and outstanding equity interests by Maddox.

(b) All equity interests shall be issued fully paid and non-assessable.

(c) No additional equity may be issued except as a Phase II Reserved Matter.

8.3 Contribution of Intellectual Property

(a) Upon incorporation of NewCo:

- Nuburu and Maddox shall assign and transfer Phase I IP to NewCo;
- Such assignment shall not extinguish Nuburu's economic reimbursement rights under this Article.

(b) From incorporation onward, all newly developed IP within Phase II shall be owned by NewCo.

(c) The transfer of Phase I IP shall be subject to the Funding Phase waterfall and Share Pledge protections set forth below.

8.4 Governance of NewCo

8.4.1 Board Composition

(a) NewCo shall be governed by a Board consisting of five (5) members:

- Three (3) appointed by Nuburu;
- Two (2) appointed by Maddox.

(b) Board members may be removed and replaced by the appointing Party.

8.4.2 Board Authority

The Board shall have full authority to:

- Approve Business Plan;
- Approve annual budget;
- Approve pricing strategy and COGS methodology;
- Approve IP filings;
- Approve financing and debt;
- Approve material contracts;
- Approve dividend distributions;
- Approve strategic transactions.

All Reserved Matters defined in Article 6.2 shall require Board approval.

8.5 Funding Phase (Economic Sub-Phase of Phase II)

8.5.1 Definition

The "Funding Phase" shall commence upon incorporation of NewCo and shall continue until Nuburu has received full reimbursement of the Total Reimbursable Amount.

8.5.2 Waterfall During Funding Phase

During the Funding Phase, all revenues of NewCo shall be applied in the following order:

1. Payment of direct operating expenses and approved COGS;
2. Payment of required reserves;
3. All remaining distributable profits shall be allocated one hundred percent (100%) to Nuburu until the Total Reimbursable Amount has been fully repaid.

No distributions shall be made to Maddox during the Funding Phase.

8.5.3 Accounting Treatment

(a) All allocations during the Funding Phase shall be properly reflected in NewCo's financial statements.

(b) The Board shall cause periodic accounting statements to be prepared and delivered to both Parties.

8.6 Share Pledge and Escrow Mechanism

8.6.1 Pledge of Maddox Shares

(a) Upon incorporation of NewCo, Maddox shall pledge its forty percent (40%) equity interest in NewCo in favor of Nuburu as security for reimbursement of the Total Reimbursable Amount.

(b) The pledge shall be documented in a separate Share Pledge Agreement executed concurrently with incorporation of NewCo.

8.6.2 Nature of Security

(a) The pledge shall constitute a first-priority security interest over Maddox's equity interests.

(b) The pledge shall remain in full force until the Total Reimbursable Amount is fully repaid.

8.6.3 Voting Rights

(a) During the Funding Phase, Maddox shall retain voting rights attached to its shares, except:

- In the event of default under the Share Pledge Agreement;
- Or enforcement event triggered by material breach.

(b) Upon enforcement event, Nuburu may exercise voting rights associated with pledged shares.

8.6.4 Dividend Application

Any dividends attributable to Maddox during the Funding Phase shall automatically be applied toward reduction of the Total Reimbursable Amount.

8.7 Release of Share Pledge

(a) Upon full reimbursement of the Total Reimbursable Amount:

- The Share Pledge shall automatically terminate;
- Maddox's 40% interest shall be released from pledge obligations.

(b) The Parties shall execute any documents necessary to evidence release.

8.8 Failure to Reimburse; Enforcement

If NewCo fails to allocate profits in accordance with this Article:

- Nuburu may enforce its rights under the Share Pledge;
- Nuburu may block dividend distributions;
- Nuburu may pursue contractual remedies.

8.9 No Circumvention

The Parties shall not:

- Structure intercompany payments;
- Inflate expenses;
- Manipulate COGS;
- Delay distributions;

for the purpose of avoiding reimbursement obligations.

Such conduct shall constitute Material Breach.

8.10 Relationship to Deadlock

(a) The Funding Phase waterfall shall not be modified except as a Phase II Reserved Matter.

(b) The Share Pledge mechanism shall survive any Phase II Deadlock unless NewCo is wound down pursuant to Article 7.3.5.

8.11 Survival

The provisions of this Article shall survive termination of the Agreement to the extent necessary to ensure enforcement of reimbursement and pledge rights.

ARTICLE 9 - COMMERCIALIZATION; TERRITORIAL ALLOCATION; PRIME CONTRACTOR STRUCTURE (PHASE II)

9.1 Exclusive Commercial Vehicle

(a) Upon incorporation of NewCo, all commercial activities relating to the Program shall be conducted exclusively through NewCo, except as otherwise expressly provided herein.

(b) Neither Party shall compete with NewCo or its business or independently commercialize, license, market, or sell the Program, or any related tangible or intangible assets, outside of NewCo, except as permitted under Article 7.3.5 (Independent Commercialization following Deadlock wind-down).

9.2 Territorial Allocation – United States

9.2.1 Commercial Leadership

(a) Maddox shall lead commercial engagement, market access, customer interface, and contracting activities within the United States territory.

(b) Maddox shall use commercially reasonable efforts to leverage its existing relationships, certifications, onboarding status with public agencies, and defense-sector channels.

9.2.2 Prime Contractor Structure – U.S.

(a) Where legally and contractually permissible, NewCo shall act as Prime Contractor for U.S. customer contracts.

(b) Where U.S. law, procurement structure, security clearance requirements, or customer-specific criteria require a U.S.-domiciled operating entity:

- Maddox may act as Prime Contractor on behalf of NewCo;
- Such Prime Contractor role shall be exercised strictly in agency capacity for NewCo;
- Contractual documentation shall reflect that underlying economic rights belong to NewCo.

(c) In all cases, pricing methodology and COGS assumptions shall require Board approval as a Phase II Reserved Matter.

9.2.3 Production – U.S.

(a) Production for U.S. contracts shall be localized at the Maddox US Site or another U.S. facility approved by the Board.

(b) Maddox shall ensure compliance with U.S. export, ITAR, and government contracting requirements.

(c) Maddox shall not modify product specifications or pricing without Board approval.

9.3 Territorial Allocation – European Union and NATO

9.3.1 Commercial Leadership

(a) Nuburu shall lead commercial engagement and regulatory interface within the European Union and NATO territories.

(b) Nuburu may leverage the Network Contract and related industrial partnerships for production and delivery.

9.3.2 Prime Contractor Structure – EU/NATO

(a) Where legally permissible, NewCo shall act as Prime Contractor for EU/NATO contracts.

(b) Where procurement structures require an EU-based manufacturing entity:

- Nuburu or Tekne may act as Prime Contractor on behalf of NewCo;
- Such role shall be exercised in agency capacity for NewCo;
- Economic rights shall accrue to NewCo.

9.3.3 Production – EU/NATO

(a) Production for EU/NATO contracts shall be localized at Tekne facilities or other EU-based facilities approved by the Board.

(b) All production shall comply with applicable Golden Power requirements and EU export controls.

9.4 Revenue Flow and Treasury Discipline

(a) All revenues from customer contracts shall be remitted to NewCo.

(b) Where Maddox or Nuburu acts as Prime Contractor on behalf of NewCo:

- Gross receipts shall be transferred to NewCo within ten (10) Business Days of receipt;
- Only Board-approved COGS and pass-through direct costs may be retained.

(c) All revenues shall be subject to the Funding Phase waterfall described in Article 8.

9.5 Pricing Governance

(a) Pricing methodology shall be approved by the Board.

(b) COGS structure shall be pre-approved.

(c) No Party may unilaterally alter pricing or margin structure.

9.6 Compliance and Regulatory Coordination

(a) All commercialization activities shall comply with:

- U.S. ITAR/EAR;
- EU export controls;
- NATO procurement requirements;
- Golden Power regulations;
- Applicable sanctions regimes.

(b) Export compliance strategy shall be approved as a Phase II Reserved Matter.

(c) Any cross-border technical data transfer shall follow an approved compliance plan.

9.7 Non-Circumvention

(a) Neither Party shall circumvent the other in connection with customers introduced under the Program.

(b) Neither Party shall independently pursue sales of a materially similar container system in the same customer opportunity during Phase II without Board approval.

(c) This restriction shall not apply to unrelated Background IP activities outside the defined Program scope.

9.8 Government Contracting Integrity

(a) Where Maddox acts as Prime Contractor for U.S. government contracts, Maddox shall:

- Comply with all applicable FAR/DFARS obligations;
- Maintain necessary certifications;
- Avoid conflicts of interest.

(b) Where Nuburu or Tekne acts as Prime Contractor in EU/NATO, equivalent compliance obligations shall apply.

9.9 Relationship to Funding Phase

(a) During the Funding Phase, all distributable profits from commercialization shall be applied in accordance with Article 8 waterfall provisions.

(b) Maddox shall not receive profit distributions until the Total Reimbursable Amount is fully repaid.

9.10 No Territorial Exclusivity Beyond Defined Scope

Nothing herein grants either Party exclusive rights to:

- Defense markets outside the defined Program;
- Independent Background IP activities;
- Technologies not encompassed within the Scope of Work.

ARTICLE 10 - INTELLECTUAL PROPERTY

10.1 Background Intellectual Property

10.1.1 Ownership

Each Party retains exclusive ownership of its Background IP.

Nothing in this Agreement shall be construed as transferring ownership of Background IP from one Party to the other.

10.1.2 Limited License During Phase I

During Phase I, each Party grants to the other a limited, non-exclusive, non-transferable, royalty-free license to use its Background IP solely to the extent necessary to perform obligations under the approved Scope of Work.

Such license:

- Shall terminate upon Phase I termination;
- Shall not include sublicensing rights;
- Shall not extend beyond Program scope.

10.1.3 No Implied Rights

Except as expressly provided herein, no rights, licenses, or assignments are granted by implication, estoppel, or otherwise.

10.2 Phase I Intellectual Property

10.2.1 Ownership Structure

All Phase I IP shall be jointly owned:

- 60% Nuburu
- 40% Maddox

subject to Section 10.2.2 (Conditional Forfeiture).

10.2.2 Conditional Forfeiture (Material Breach / Gross Negligence)

If:

(a) Maddox commits a Material Breach or Gross Negligence materially impairing Phase I deliverables;
(b) Such breach remains uncured thirty (30) days after written notice;
(c) The Steering Committee (or Nuburu under Phase I Deadlock authority) determines such breach materially compromises the Project;

Then Maddox's forty percent (40%) interest in Phase I IP shall automatically and irrevocably transfer to Nuburu without additional consideration.

Maddox shall execute all documents necessary to perfect such transfer.

10.2.3 Dependent Background IP License Upon Forfeiture

In the event that Maddox's forty percent (40%) interest in Phase I IP is transferred to Nuburu pursuant to Section 10.2.2 (Conditional Forfeiture), Maddox hereby grants to Nuburu, effective automatically upon such transfer, a perpetual, irrevocable, non-exclusive, worldwide, royalty-free license under any Maddox Background IP to the extent, and only to the extent, that such Background IP is necessary to use, reproduce, modify, manufacture, market, sell, license, or otherwise exploit the Phase I IP.

Such license shall:

(a) Be limited strictly to the extent required for practical and commercial exploitation of the Phase I IP;
(b) Not grant Nuburu any rights unrelated to the Phase I IP;
(c) Survive termination of this Agreement;
(d) Not permit sublicensing except in connection with commercialization of the Phase I IP or through NewCo;
(e) Not constitute a transfer of ownership of Maddox Background IP.

For clarity, this license is conditional and shall only become effective if and when the forfeiture event under Section 10.2.2 occurs.

10.2.4 Documentation Standard

All Phase I IP must be documented in sufficient detail to:

- Support patent filings;
- Meet enablement standards;
- Support trade secret protection;
- Comply with defense audit standards.

Failure to provide documentation as agreed upon by the Scope of Work within 30 days after ITAR approval constitutes Material Breach.

10.2.5 Alternative Structuring of Phase I Intellectual Property

(a) The Parties acknowledge that the intended ownership structure of Phase I IP is sixty percent (60%) Nuburu and forty percent (40%) Maddox, subject to the conditional forfeiture provisions set forth in Article 10.

(b) The Parties further acknowledge that, depending on applicable intellectual property law, tax considerations, accounting treatment under U.S. GAAP, export-control requirements, or regulatory constraints, a direct joint assignment of legal title to Phase I IP in the proportions set forth above may result in undue complexity, adverse accounting consequences, or regulatory inefficiencies.

(c) In such case, the Parties agree to cooperate in good faith to implement an alternative structure that:

i. Preserves the same economic rights and risk allocation intended under the 60% / 40% ownership model;
ii. Preserves Nuburu's sponsor protections and conditional forfeiture rights;
iii. Preserves Maddox's economic participation consistent with Phase II structure;
iv. Ensures enforceability and clarity of chain of title;
v. Complies with applicable intellectual property, accounting, export-control, and regulatory requirements.

(d) Such alternative structure may include, without limitation:

- Sole legal ownership by one Party with an exclusive economic license to the other Party;
- Holding IP in trust pending NewCo formation;
- Immediate assignment to NewCo subject to Funding Phase protections;
- Any other commercially reasonable structure achieving substantially equivalent economic and governance outcomes.

(e) The Parties agree that implementation of such alternative structure shall not be deemed a modification of the economic understanding of Phase I and shall not alter the Total Reimbursable Amount or conditional forfeiture provisions.

10.3 Transfer of Phase I IP to NewCo

Upon incorporation of NewCo:

(a) Nuburu and Maddox shall assign their quota of Phase I IP to NewCo;

(b) Such assignment shall not extinguish Nuburu's reimbursement rights under Article 8;

(c) Ownership of Phase I IP shall thereafter vest in NewCo, subject to Funding Phase waterfall protections and Share Pledge.

10.4 NewCo Intellectual Property (Phase II)

10.4.1 Ownership

All intellectual property conceived, developed, or reduced to practice during Phase II ("NewCo IP") shall be owned exclusively by NewCo and the Parties shall cooperate in good faith to appropriately document the ownership of Phase I and Phase II IP in the name of NewCo.

10.4.2 Improvements and Derivative Works

Any improvements, enhancements, modifications, derivative works, adaptations, or refinements to Phase I IP developed in Phase II shall:

- Automatically vest in NewCo;
- Be deemed NewCo IP.

Neither Party shall independently claim ownership of such improvements.

10.5 Patent Prosecution and Maintenance

10.5.1 Phase I

During Phase I:

- Nuburu shall have primary responsibility for patent filing strategy;
- Filing decisions shall be reviewed by the Steering Committee;
- Costs borne 60% Nuburu / 40% Maddox unless forfeiture applies.

10.5.2 Phase II

During Phase II:

- NewCo shall control patent prosecution and maintenance;
- Costs borne by NewCo.

10.6 Enforcement and Defense

10.6.1 Enforcement During Phase I

No Party may initiate enforcement of Phase I IP without Steering Committee approval.

If Deadlock arises in Phase I enforcement decision:

- Nuburu's decision prevails.

10.6.2 Enforcement During Phase II

NewCo shall have exclusive authority to enforce NewCo IP.

Enforcement decisions shall be Board-approved Reserved Matters.

10.6.3 Cost Allocation

Enforcement costs shall be borne by:

- The enforcing Party during Phase I (unless agreed otherwise);
- NewCo during Phase II.

Recoveries shall be allocated in proportion to ownership interest.

10.7 Insolvency Protection

10.7.1 Phase I Insolvency

If Maddox becomes insolvent during Phase I:

- Nuburu may terminate Phase I;
- Maddox's 40% Phase I IP interest shall transfer to Nuburu.

10.7.2 Phase II Insolvency

If either Party becomes insolvent during Phase II:

- The non-insolvent Party shall have the option to purchase the insolvent Party's equity interest at Fair Market Value determined under Article 7.3;
- IP rights shall not transfer outside NewCo without consent.

10.8 Post-Deadlock IP Regime (Phase II)

If NewCo is wound down pursuant to Article 7.3.2:

(a) IP remains jointly owned 60% Nuburu / 40% Maddox;

(b) Either Party may independently commercialize;

(c) Commercializing Party shall pay 5% royalty on net revenues for three (3) years;

(d) After three years, no royalty shall be owed.

10.9 Confidentiality and Trade Secret Protection

Each Party shall:

- Protect confidential technical information;
- Implement reasonable cybersecurity safeguards;
- Limit access to authorized personnel;
- Maintain secure document control systems.

10.10 Export Control Safeguards

All transfers of technical data shall comply with Export Controls.

ITAR-controlled data shall be segregated.

No Party may transfer controlled technical data to unauthorized foreign persons.

10.11 Survival

The provisions of this Article shall survive termination of this Agreement to the extent necessary to protect IP ownership, enforcement rights, confidentiality, and post-deadlock commercialization rights.

ARTICLE 11 - REPRESENTATIONS AND WARRANTIES

11.1 Organization and Good Standing

(a) Such Party is duly organized, validly existing, and in good standing under the laws of its jurisdiction of organization.

(b) Such Party has full corporate or limited liability company power and authority to own its assets and to carry on its business as currently conducted.

(c) Such Party is duly qualified to conduct business in each jurisdiction where the failure to do so would reasonably be expected to materially impair its ability to perform its obligations under this Agreement.

11.2 Authority; Binding Effect

(a) Such Party has full power and authority to enter into this Agreement and to perform its obligations hereunder.

(b) The execution and delivery of this Agreement have been duly authorized by all necessary corporate or company action.

(c) This Agreement constitutes a valid and binding obligation of such Party, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, and equitable principles.

11.3 No Conflict; No Consents

(a) The execution, delivery, and performance of this Agreement by such Party do not and will not:

(i) violate its organizational documents;
(ii) conflict with or breach any material contract to which it is a party;
(iii) violate any applicable law, rule, or regulation;
(iv) result in the creation of any lien or encumbrance on its assets (except as expressly permitted herein).

(b) No consent, approval, authorization, or filing with any governmental authority is required for such Party to execute and perform this Agreement, except for routine regulatory filings, export licenses, or Golden Power notifications where applicable.

11.4 Compliance with Laws

Each Party represents that it is in material compliance with all applicable laws, rules, and regulations relevant to its performance under this Agreement, including but not limited to:

- Defense procurement regulations;
- Anti-corruption laws (including the U.S. Foreign Corrupt Practices Act);
- Anti-bribery laws;
- Trade and sanctions regulations.

11.5 Export Control Compliance

(a) Each Party represents that it maintains internal compliance procedures reasonably designed to ensure adherence to applicable Export Controls, including ITAR and EAR.

(b) Each Party represents that it is not currently debarred, suspended, or otherwise restricted from participating in U.S. government contracting or export-controlled activities.

(c) Each Party agrees to comply with all applicable export licensing requirements in connection with the Program.

(d) Neither Party is listed on any applicable sanctions or restricted party list maintained by the United States, European Union, or other applicable authority.

11.6 Intellectual Property

11.6.1 Ownership of Background IP

Each Party represents that it owns or has valid rights to use its Background IP contributed to the Program.

11.6.2 Non-Infringement

To the best of its knowledge:

(a) Its Background IP does not infringe the intellectual property rights of any third party;

(b) It has not received written notice of any pending or threatened infringement claims relating to its Background IP that would materially impair the Program.

11.6.3 No Misappropriation

Each Party represents that it has not knowingly misappropriated trade secrets or confidential information of any third party in connection with the Program.

11.7 Solvency

Each Party represents that:

(a) It is solvent and able to pay its debts as they become due;

(b) It is not subject to any bankruptcy, insolvency, receivership, or similar proceeding;

(c) It is not aware of any pending insolvency event that would reasonably be expected to impair its performance under this Agreement.

11.8 Litigation

(a) There is no pending or threatened litigation, arbitration, or administrative proceeding that would reasonably be expected to materially impair such Party’s ability to perform its obligations under this Agreement.

(b) Such Party is not subject to any injunction or court order that would prevent execution of the Program.

11.9 No Brokers

Each Party represents that it has not engaged any broker, finder, or intermediary in connection with the transactions contemplated by this Agreement for which the other Party could become liable.

11.10 Accuracy of Information

All material information provided by such Party to the other Party in connection with the Program is true and correct in all material respects and does not omit any material fact necessary to make such information not misleading.

11.11 Survival of Representations

The representations and warranties contained in this Article shall:

(a) Survive the execution of this Agreement;
(b) Survive incorporation of NewCo;
(c) Survive termination of this Agreement to the extent necessary to enforce rights arising from a breach thereof.

ARTICLE 12 - COVENANTS

12.1 Operational Covenants – Phase I

12.1.1 Performance of Scope of Work

During Phase I:

(a) Maddox shall use commercially reasonable efforts to execute and deliver all work packages in accordance with the approved Scope of Work and Project Roll-Out Plan.

(b) Maddox shall allocate personnel, technical resources, and management attention necessary to meet agreed milestones.

(c) Maddox shall promptly notify the Steering Committee of any risk to milestone completion.

12.1.2 Cooperation

Each Party shall:

(a) Cooperate in good faith in furtherance of the Project;
(b) Provide reasonably requested information necessary for execution;
(c) Avoid actions that would materially impair Phase I completion.

12.1.3 No Unauthorized Commitments

During Phase I, neither Party shall:

(a) Enter into any contract exceeding approved work package scope without Steering Committee approval;
(b) Commit Development Funds beyond approved allocations;
(c) Represent to any third party that commercial sales are authorized prior to Phase I Completion.

12.2 Operational Covenants – Phase II

Upon incorporation of NewCo:

(a) The Parties shall cause NewCo to operate in accordance with the Business Plan and approved budgets;

(b) Maddox shall lead U.S. commercialization activities in accordance with Article 9;

(c) Nuburu shall support EU/NATO commercialization as provided in Article 9;

(d) No Party shall divert Program opportunities to itself outside NewCo.

12.3 Funding Covenants

12.3.1 Phase I

(a) Nuburu shall fund Development Funds in accordance with approved milestones.

(b) Maddox shall not incur liabilities exceeding approved budget without consent.

12.3.2 Funding Phase (Phase II)

During the Funding Phase:

(a) NewCo shall allocate distributable profits in accordance with Article 8 waterfall;

(b) No dividends shall be distributed to Maddox until full reimbursement of the Total Reimbursable Amount;

(c) Maddox shall not encumber, transfer, or otherwise dispose of pledged shares.

12.4 Non-Circumvention

(a) Neither Party shall directly or indirectly circumvent the other in connection with customers introduced under the Program.

(b) Neither Party shall solicit or contract with Program customers outside NewCo without approval.

(c) This covenant shall survive termination for three (3) years.

12.5 Good Faith and Fair Dealing

Each Party shall:

(a) Act in good faith in performance of this Agreement;

(b) Not exercise discretion under this Agreement in a manner that constitutes bad faith or abuse of rights;

(c) Use reasonable efforts to preserve the economic intent of the Parties.

12.6 Compliance Covenants

12.6.1 Export Compliance

Each Party shall:

(a) Maintain internal controls sufficient to ensure compliance with Export Controls;

(b) Promptly notify the other Party of any export violation;

(c) Cooperate in obtaining required licenses.

12.6.2 Anti-Corruption

Each Party shall:

(a) Comply with all applicable anti-bribery and anti-corruption laws;

(b) Not offer or accept unlawful payments;

(c) Maintain internal compliance procedures.

12.6.3 Golden Power and Regulatory Filings

Where required:

(a) The Parties shall cooperate in Golden Power notifications;

(b) No Party shall withhold cooperation unreasonably.

12.7 Insurance

Each Party shall maintain commercially reasonable insurance coverage appropriate for defense manufacturing activities, including:

- Commercial general liability;
- Product liability (where applicable);
- Cybersecurity insurance;
- Directors and Officers coverage (Phase II).

Upon request, evidence of coverage shall be provided.

12.8 Recordkeeping and Audit Rights

(a) Maddox shall maintain complete and accurate records of:

- Work performed;
- Milestones achieved;
- Costs incurred;
- Related-party compensation.

(b) NewCo shall maintain full accounting records during Phase II.

(c) Nuburu shall have audit rights upon reasonable notice during Phase I and Phase II.

(d) Audit costs shall be borne by the requesting Party unless material discrepancy (>5%) is found, in which case costs shift to audited Party.

12.9 Protection of IP and Confidential Information

Each Party shall:

(a) Implement reasonable technical safeguards to protect Phase I IP and NewCo IP;

(b) Restrict access to authorized personnel;

(c) Immediately notify the other Party of any data breach or unauthorized disclosure.

12.10 No Competing Product During Phase I

During Phase I, Maddox shall not independently develop or commercialize a substantially similar mobile additive manufacturing container outside the JV structure.

12.11 Survival

The covenants set forth in this Article shall survive termination of this Agreement to the extent necessary to enforce rights and obligations accrued during the Term.

ARTICLE 13 - CONFIDENTIALITY; MNPI; PUBLIC DISCLOSURES; NON-USE; SURVIVAL

13.1 Definition of Confidential Information

For purposes of this Agreement, “Confidential Information” means any non-public information disclosed by one Party (the “Disclosing Party”) to the other Party (the “Receiving Party”), whether oral, written, electronic, or in any other form, including without limitation:

(a) Technical information, engineering designs, schematics, CAD files, additive manufacturing files, software code, prototypes, testing data, integration methodologies, trade secrets, know-how and documentation;

(b) Business plans, pricing models, cost structures, supplier information, commercialization strategies, financial projections and customer lists;

(c) Information relating to Export Controls, compliance strategies, and regulatory filings;

(d) The existence, structure, and terms of this Agreement;

(e) Any intellectual property developed during Phase I or Phase II;

(f) Information that a reasonable person would understand to be confidential given its nature and context.

Confidential Information includes Phase I IP and NewCo IP.

13.2 Exclusions

Confidential Information shall not include information that:

(a) Is or becomes publicly available without breach of this Agreement;
(b) Was lawfully known to the Receiving Party prior to disclosure;
(c) Is independently developed without use of the Disclosing Party’s Confidential Information;
(d) Is lawfully obtained from a third party without breach of confidentiality obligations.

The burden of proving applicability of an exclusion rests with the Receiving Party.

13.3 Non-Disclosure and Non-Use

(a) The Receiving Party shall:

i. Maintain Confidential Information in strict confidence;
ii. Use Confidential Information solely for purposes of performing this Agreement;
iii. Not disclose Confidential Information to any third party without prior written consent of the Disclosing Party.

(b) Disclosure shall be limited to:

i. Employees, directors, officers and advisors with a need-to-know basis;
ii. Affiliates engaged in performance under this Agreement;
iii. Tekne pursuant to an executed Technology Transfer Agreement;
iv. Government authorities where required by law.

(c) The Receiving Party shall ensure that recipients are bound by confidentiality obligations no less restrictive than those herein.

13.4 Export-Control Sensitive Information

(a) Technical data subject to ITAR or other Export Controls shall be handled in accordance with applicable law.

(b) Access to export-controlled data shall be limited to authorized persons.

(c) Unauthorized transfer constitutes Material Breach.

13.5 Protection of Patent-Grade Documentation

(a) During Phase I, documentation prepared for patent filing shall be treated as strictly confidential.

(b) Public disclosure prior to patent filing requires approval of Nuburu during Phase I or NewCo during Phase II.

(c) No Party shall publish, disclose, or present technical content without written approval.

13.6 MNPI and Public Company Obligations

(a) The Parties acknowledge that Nuburu Inc. is a publicly traded company subject to U.S. securities laws.

(b) Information exchanged under this Agreement may constitute Material Non-Public Information ("MNPI").

(c) Maddox agrees:

i. Not to trade in securities of Nuburu Inc. while in possession of MNPI;
ii. To implement internal safeguards to prevent misuse of MNPI;
iii. To ensure its personnel comply with insider trading laws.

(d) Nuburu shall have the right to make public disclosures required by:

- SEC rules;
- NYSE American rules;
- U.S. securities laws.

Such disclosures shall not constitute breach of confidentiality.

(e) Where legally permissible, Nuburu shall consult Maddox regarding timing and wording of public announcements.

13.7 Compelled Disclosure

If disclosure of Confidential Information is required by law or court order:

(a) The Receiving Party shall promptly notify the Disclosing Party, to the extent permitted by law;
(b) The Receiving Party shall cooperate in seeking protective treatment, at Disclosing Party's expense;
(c) Disclosure shall be limited to the minimum required.

13.8 Return or Destruction

Upon termination of this Agreement:

(a) Each Party shall return or destroy Confidential Information upon request;
(b) A written certification of destruction may be required;
(c) Archival copies may be retained solely for compliance purposes.

13.9 Injunctive Relief

The Parties acknowledge that breach of this Article may cause irreparable harm.

The Disclosing Party shall be entitled to seek injunctive relief without posting bond, in addition to any other remedies available at law.

13.10 Survival

The obligations set forth in this Article shall:

(a) Survive termination of this Agreement;
(b) Continue for five (5) years following termination;
(c) Continue indefinitely with respect to trade secrets and export-controlled data.

13.11 Relationship to IP Ownership

Nothing in this Article transfers ownership of IP.

Confidentiality obligations are independent of IP ownership and survive any change in ownership structure.

ARTICLE 14 - INDEMNIFICATION; LIMITATION OF LIABILITY; INSURANCE; RISK ALLOCATION

14.1 Indemnification by Maddox

Maddox shall indemnify, defend and hold harmless Nuburu, its Affiliates, and their respective directors, officers, managers, employees and agents (collectively, the "Nuburu Indemnified Parties") from and against any and all losses, liabilities, damages, claims, penalties, fines, judgments, settlements, costs and expenses (including reasonable attorneys' fees) (collectively, "Losses") arising out of or relating to:

(a) Any Material Breach of this Agreement by Maddox;

(b) Gross Negligence or willful misconduct of Maddox or its personnel;

(c) Failure of Maddox to deliver Phase I work packages in accordance with approved Scope of Work;

(d) Failure to provide commercially reasonable IP documentation as required under Article 5;

(e) Any violation of Export Controls attributable to Maddox's acts or omissions;

(f) Any claim that Maddox's Background IP infringes the intellectual property rights of a third party;

(g) Any breach of anti-corruption, sanctions, or government contracting laws by Maddox;

(h) Any liability arising from Maddox's role as Prime Contractor during Phase II U.S. contracting, except to the extent caused by Nuburu's breach, failure to fund after Maddox provides all agreed upon deliverables or failure to provide data or technical services.

14.2 Indemnification by Nuburu

Nuburu shall indemnify, defend and hold harmless Maddox, its Affiliates, and their respective directors, officers, managers, employees and agents (collectively, the "Maddox Indemnified Parties") from and against any Losses arising out of or relating to:

(a) Any Material Breach of this Agreement by Nuburu;

(b) Gross Negligence or willful misconduct of Nuburu;

(c) Any violation of Export Controls attributable solely to Nuburu;

(d) Any claim that Nuburu's Background IP infringes the intellectual property rights of a third party;

(e) Any breach of securities law disclosure obligations attributable to Nuburu.

14.3 Indemnification by NewCo (Phase II)

Upon incorporation of NewCo:

(a) NewCo shall indemnify both Parties for Losses arising out of:

i. Product liability claims;
ii. Manufacturing defects;
iii. Customer warranty claims;

iv. Contract performance failures;
v. Regulatory enforcement actions arising from NewCo operations.

(b) Such indemnification shall be subject to the limitations set forth below.

14.4 Indemnification Procedure

(a) The indemnified Party shall promptly notify the indemnifying Party of any claim.

(b) The indemnifying Party shall have the right to control the defense of such claim, provided it acknowledges indemnification in writing.

(c) The indemnified Party may participate in the defense at its own expense.

(d) No settlement may be entered into without consent of the indemnified Party if it imposes non-monetary obligations.

14.5 Limitation of Liability

14.5.1 General Limitation

Except for the exceptions set forth in Section 14.5.2, the aggregate liability of either Party under this Agreement shall not exceed the total amount of distributions actually received by such Party from the JV or NewCo during the twenty-four (24) months preceding the event giving rise to the claim.

14.5.2 Exceptions to Limitation

The limitation of liability shall not apply to:

(a) Fraud;

(b) Willful misconduct;

(c) Gross Negligence;

(d) Breach of confidentiality obligations;

(e) Breach of Export Controls;

(f) Infringement or misappropriation of intellectual property;

(g) Enforcement of the Share Pledge;

(h) Payment of the Total Reimbursable Amount.

14.6 Exclusion of Consequential Damages

Except for indemnifiable IP or export violations, neither Party shall be liable for:

- Indirect damages;
- Consequential damages;
- Punitive damages;
- Loss of profits (except where expressly provided under the Funding Phase waterfall).

14.7 Risk Allocation – Phase I

(a) Nuburu bears financial sponsor risk limited to the Development Funds.

(b) Maddox bears execution risk for U.S. operational performance.

(c) Any cost overruns not approved as Reserved Matters shall be borne by the Party incurring such cost.

14.8 Risk Allocation – Phase II

(a) Commercial and production risks shall be borne by NewCo.

(b) The Parties' liability shall be limited to their respective equity interests in NewCo, except as otherwise provided herein.

14.9 Insurance

14.9.1 Phase I

Each Party shall maintain commercially reasonable insurance coverage appropriate for defense manufacturing and engineering activities, including:

- Commercial General Liability;
- Professional Liability;
- Cyber Liability;
- Workers' Compensation.

14.9.2 Phase II

Upon incorporation, NewCo shall maintain:

- Product Liability insurance;
- Commercial General Liability;
- Directors & Officers (D&O) insurance;
- Cybersecurity insurance;
- Errors & Omissions coverage.

Evidence of insurance shall be provided upon request.

14.10 Government Contracting Liability

If Maddox acts as Prime Contractor for U.S. government contracts:

(a) Maddox shall bear primary responsibility for compliance with FAR/DFARS obligations;

(b) Maddox shall indemnify Nuburu for liabilities arising from its non-compliance;

(c) Where NewCo acts as Prime Contractor, NewCo shall bear such liability.

14.11 Survival

The provisions of this Article shall survive:

- Termination of this Agreement;
- Incorporation or dissolution of NewCo;
- Enforcement of the Share Pledge;
- Completion of the Funding Phase.

ARTICLE 15 - TERM; TERMINATION; CONSEQUENCES OF TERMINATION; SURVIVAL

15.1 Term

15.1.1 Initial Term

This Agreement shall commence on the Effective Date and shall continue for an initial term of five (5) years, unless earlier terminated in accordance with this Article.

15.1.2 Automatic Renewal

Upon expiration of the initial term, this Agreement shall automatically renew for successive one (1) year periods unless either Party provides written notice of non-renewal at least ninety (90) days prior to the expiration of the then-current term.

15.2 Termination During Phase I

15.2.1 Termination for Material Breach

Either Party may terminate Phase I upon written notice if the other Party commits a Material Breach and fails to cure such breach within thirty (30) days following written notice.

15.2.2 Termination by Nuburu Following Phase I Deadlock

If Phase I Deadlock remains unresolved after escalation under Article 7.2:

Nuburu may terminate Phase I in its sole discretion.

15.2.3 Termination for Insolvency

Either Party may terminate Phase I immediately upon written notice if the other Party:

- Files for bankruptcy;
- Becomes insolvent;
- Makes a general assignment for the benefit of creditors;
- Is subject to appointment of receiver or similar proceeding.

15.3 Consequences of Termination During Phase I

If Phase I is terminated:

(a) Intellectual Property

(i) If termination is not caused by Maddox Material Breach or Gross Negligence:

- Phase I IP shall remain jointly owned 60% Nuburu / 40% Maddox, unless otherwise agreed.

(ii) If termination results from Maddox Material Breach or Gross Negligence:

- Maddox's 40% interest in Phase I IP shall automatically transfer to Nuburu pursuant to Article 5.8.2.

(b) Documentation Delivery

Maddox shall promptly deliver to Nuburu all:

- Engineering files;
- CAD files;
- Test reports;
- Manufacturing data;
- Technical notebooks.

Failure to deliver shall constitute additional Material Breach.

(c) Funding Consequences

Nuburu shall have no obligation to fund additional Development Funds after termination.

No reimbursement obligation shall arise in favor of Maddox.

(d) Continuation by Nuburu

Nuburu may continue the Project independently or with third parties.

Maddox shall have no right to use Phase I IP except as expressly permitted.

(e) If Nuburu fails to fund within 30 business day days of written notice of approved invoices that are due and payable:

- Maddox may suspend performance;
- Maddox may terminate without penalty;
- All Joint IP remains 60/40;
- No forfeiture applies.

15.4 Termination During Phase II

After incorporation of NewCo:

Termination shall occur only as follows:

(a) By mutual written agreement of the Parties;

(b) Pursuant to Deadlock buyout mechanism under Article 7.3;

(c) Upon winding down of NewCo under Article 7.3.2;

(d) Upon insolvency of NewCo;

(e) Upon Change of Control triggering protective rights under Article 15 (Change of Control / FOCI).

15.5 Consequences of Termination During Phase II

15.5.1 Funding Phase

If termination occurs during the Funding Phase:

- Share Pledge remains enforceable until Total Reimbursable Amount is paid;
- Nuburu retains right to enforce reimbursement.

15.5.2 Deadlock Wind-Down

If NewCo is wound down under Article 7.3.2:

- IP remains jointly owned 60% Nuburu / 40% Maddox;

- Independent commercialization permitted;
- 5% royalty for three (3) years applies.

15.5.3 Insolvency of NewCo

If NewCo becomes insolvent:

- Either Party may initiate buyout at Fair Market Value;
- If no buyout, IP allocated per 60/40 ownership subject to court approval.

15.6 Effect on Technology Transfer Agreement

Upon termination of Phase I or dissolution of NewCo:

- Any Technology Transfer Agreement with Tekne shall automatically terminate unless otherwise agreed;
- Tekne shall cease use of IP;
- Tekne shall return or destroy technical materials.

15.7 Confidential Information

Upon termination:

Each Party shall:

- Return or destroy Confidential Information upon request;
- Certify destruction if requested;
- Retain archival copies solely for compliance.

Confidentiality obligations shall survive for five (5) years, and indefinitely for trade secrets and export-controlled data.

15.8 Survival

The following provisions shall survive termination of this Agreement:

- Intellectual Property (Article 10);
- Deadlock (Article 7);
- Funding Phase and Share Pledge (Article 8);
- Confidentiality (Article 13);
- Indemnification and Liability (Article 14);
- Governing Law and Dispute Resolution;
- Any accrued rights or payment obligations.

15.9 No Waiver of Accrued Rights

Termination shall not:

- Affect rights accrued prior to termination;
- Release either Party from liability for prior breach;
- Affect reimbursement rights under the Funding Phase.

ARTICLE 16 - DISPUTE RESOLUTION

16.1 Governing Law

This Agreement, and any dispute, claim, or controversy arising out of or relating to this Agreement, the Program, Phase I, Phase II, NewCo, or the transactions contemplated hereby (collectively, a "Dispute"), shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict-of-laws principles.

16.2 Escalation; Good Faith Negotiation

(a) In the event of any Dispute, the Parties shall first attempt in good faith to resolve such Dispute through senior executive negotiation.

(b) The Party asserting a Dispute shall provide written notice describing the nature of the Dispute.

(c) Within ten (10) Business Days of such notice, the Chief Executive Officers (or equivalent senior executives) of each Party shall meet (in person or virtually) to attempt resolution.

(d) If the Dispute is not resolved within thirty (30) Business Days following such escalation, either Party may proceed to arbitration pursuant to Section 16.3.

This Section shall not restrict the right to seek interim or injunctive relief under Section 16.6.

16.3 Binding Arbitration

16.3.1 Agreement to Arbitrate

Any Dispute not resolved pursuant to Section 16.2 shall be finally resolved by binding arbitration administered by the International Chamber of Commerce ("ICC") in accordance with its Rules of Arbitration in effect at the time the arbitration is commenced (the "ICC Rules"), except as modified herein.

16.3.2 Seat and Venue

The seat (legal place) of arbitration shall be New York, New York, United States.

The arbitration shall be deemed an international commercial arbitration for purposes of the New York Convention.

16.3.3 Language

The language of the arbitration shall be English.

16.3.4 Tribunal Composition

(a) The arbitral tribunal shall consist of three (3) arbitrators.

(b) Each Party shall appoint one arbitrator within thirty (30) days of receipt of a request for arbitration.

(c) The two party-appointed arbitrators shall appoint the presiding arbitrator.

(d) If any appointment is not made within the prescribed time, the ICC Court shall appoint the arbitrator in accordance with the ICC Rules.

(e) Arbitrators shall have demonstrated expertise in complex commercial transactions and defense-sector industrial matters.

16.4 Scope of Arbitration

The arbitration shall cover any Dispute relating to:

- This Agreement;

- Phase I or Phase II execution;
- NewCo governance;
- Intellectual property rights;
- Share pledge enforcement;
- Deadlock valuation disputes;
- Funding Phase reimbursement;
- Termination consequences.

The tribunal shall have authority to:

- Interpret this Agreement;
- Grant monetary damages;
- Grant declaratory relief;
- Order specific performance (where permitted by law).

16.5 Confidentiality of Proceedings

(a) All arbitration proceedings, submissions, evidence, and awards shall be confidential.

(b) Disclosure may be made only:

i. To the extent required by law;
ii. To enforce or challenge an arbitral award;
iii. To comply with securities disclosure obligations.

(c) The tribunal shall issue protective orders upon request.

16.6 Interim and Injunctive Relief

(a) Nothing in this Article shall prevent either Party from seeking interim or injunctive relief from a court of competent jurisdiction to:

i. Protect intellectual property;
ii. Enforce confidentiality obligations;
iii. Enforce the Share Pledge;
iv. Prevent unauthorized disclosure of export-controlled data.

(b) Seeking such relief shall not be deemed a waiver of the obligation to arbitrate.

(c) The Parties agree that irreparable harm may result from breach of confidentiality or IP provisions.

16.7 Consolidation and Joinder

(a) The tribunal may consolidate arbitrations arising under this Agreement and any related Share Pledge Agreement, Technology Transfer Agreement, or NewCo governance documents.

(b) NewCo may be joined to arbitration proceedings where appropriate.

16.8 Costs and Fees

(a) The arbitral tribunal shall allocate costs in its discretion, taking into account the merits of the claims and defenses.

(b) The prevailing Party may be awarded reasonable attorneys' fees and costs.

16.9 Enforcement of Award

(a) The arbitral award shall be final and binding.

(b) Judgment upon the award may be entered in any court of competent jurisdiction.

(c) The Parties waive any right to appeal to the extent permitted by law.

16.10 Waiver of Jury Trial

To the extent any Dispute is brought in court for interim relief or enforcement, each Party irrevocably waives its right to trial by jury.

16.11 Survival

The provisions of this Article shall survive termination of this Agreement and dissolution of NewCo.

ARTICLE 17 - MISCELLANEOUS

17.1 Assignment

(a) Neither Party may assign, delegate, transfer, or otherwise convey this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, except as expressly provided below.

(b) Notwithstanding the foregoing, either Party may assign this Agreement to:

(i) An Affiliate;
(ii) A successor entity in connection with a merger, consolidation, or sale of substantially all of its assets,

provided that:

- Such assignment does not create material regulatory, export-control, FOCI, or sanctions risk;
- The assignee assumes all obligations under this Agreement in writing.

(c) Any assignment in violation of this Section shall be null and void.

17.2 No Waiver

(a) No waiver of any provision of this Agreement shall be effective unless in writing and signed by the Party granting the waiver.

(b) No failure or delay in exercising any right or remedy shall constitute a waiver thereof.

(c) A waiver of any specific breach shall not be deemed a waiver of any other breach.

17.3 Amendments

(a) This Agreement may be amended only by a written instrument signed by authorized representatives of both Parties.

(b) No oral modifications shall be valid or enforceable.

(c) Amendments affecting Phase II corporate governance shall also be reflected in NewCo governing documents where applicable.

17.4 Force Majeure

(a) Neither Party shall be liable for failure or delay in performance caused by events beyond its reasonable control, including but not limited to:

- Acts of God;

- Natural disasters;
- War;
- Terrorism;
- Government actions;
- Pandemics;
- Supply chain disruptions.

(b) The affected Party shall:

- Promptly notify the other Party;
- Use commercially reasonable efforts to mitigate the impact.

(c) Force Majeure shall not excuse payment obligations or reimbursement obligations under the Funding Phase.

17.5 Notices

(a) All notices required under this Agreement shall be in writing.

(b) Notices shall be delivered by:

- Recognized courier service;
- Registered mail;
- Confirmed electronic transmission (where expressly permitted).

(c) Notices shall be deemed effective:

- Upon receipt; or
- If refused, upon attempted delivery.

(d) Notices shall be sent to the addresses set forth below or as otherwise updated by written notice.

17.6 Relationship of the Parties

(a) During Phase I, the JV is contractual only.

(b) The Parties are independent contractors.

(c) Nothing herein shall create:

- A partnership;
- A fiduciary relationship;
- An agency relationship (except as expressly provided for Prime Contractor arrangements).

(d) Neither Party has authority to bind the other except as expressly provided.

(e) Upon incorporation of NewCo, the Parties' relationship shall be governed additionally by NewCo's corporate documents.

17.7 No Third-Party Beneficiaries

Except as expressly provided (including Indemnified Parties), this Agreement does not create any third-party beneficiary rights.

17.8 Severability

If any provision of this Agreement is held invalid or unenforceable:

(a) The remaining provisions shall remain in full force and effect;

(b) The Parties shall negotiate in good faith to replace the invalid provision with a valid provision reflecting the original intent.

17.9 Entire Agreement

(a) This Agreement, including all Annexes and related agreements expressly referenced herein (including the Share Pledge Agreement and Technology Transfer Agreement), constitutes the entire agreement between the Parties concerning the subject matter hereof.

(b) It supersedes all prior negotiations, discussions, term sheets, and understandings, except the Strategic Framework Agreement to the extent expressly incorporated.

17.10 Counterparts; Electronic Execution

(a) This Agreement may be executed in counterparts, each of which shall be deemed an original.

(b) Electronic signatures (including PDF and electronic transmission platforms) shall be deemed valid and binding.

17.11 Further Assurances

Each Party shall execute and deliver such additional documents and take such further actions as reasonably necessary to carry out the intent of this Agreement, including:

- IP assignments;
- Share pledge documentation;
- Corporate formation documents for NewCo;
- Technology Transfer Agreement ("TTA") documentation.
- Upon execution of this Agreement, and in any event no later than twenty (20) business days thereafter, Maddox shall deliver the application for the ITAR and TAA to effect the transfer of the IP rights to Nuburu in accordance with the terms of this Agreement. Failure to comply with this obligation shall constitute a Material Breach of this Agreement.

17.12 Interpretation; Drafting

(a) The Parties acknowledge that each Party has had the opportunity to consult legal counsel.

(b) This Agreement shall not be construed against any Party as the drafting Party.

17.13 Survival of Miscellaneous Provisions

The provisions of this Article shall survive termination to the extent necessary to enforce rights and obligations accrued prior to termination.

Signatures below

NUBURU, INC

Alessandro Zamboni

Executive Chairman & Co-CEO

/s/ Alessandro Zamboni

NUBURU DEFENSE LLC

Dario Barisoni

CEO

/s/ Dario Barisoni

MADDOX DEFENSE INCORPORATED

Jason Maddox

CEO

/s/ Jason Maddox

****

Exhibit 10.41

INTERNATIONAL COOPERATION AGREEMENT

This INTERNATIONAL COOPERATION AGREEMENT (the "Agreement") is effective as of 26/02/2026 (the "Effective Date")

BETWEEN

TEKNE S.p.A., with registered office at C.da San Matteo, 42 – 66030 Poggiofiorito (CH), Italy (hereinafter **"TEKNE"** or the **"MANUFACTURER"** or the **"Company"**)
ENGINEERING BUREAU "BERYL" LLC, with registered office at office 1, Nikolsko-Slobidska St., 6V, 02002 Kyiv, Ukraine (hereinafter the **"PARTNER"** or **"BERYL"**)

AND

NUBURU DEFENSE LLC, a limited liability company incorporated under the laws of the State of Delaware (USA), with registered office at Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, USA (hereinafter **"NUBURU DEFENSE")**

TEKNE, BERYL and NUBURU DEFENSE are hereinafter jointly referred to as the **"Parties"**, and individually as a **"Party".**

PREAMBLE

WHEREAS TEKNE is the sole designer, developer, and manufacturer of the high-performance vehicle based on the Graelion platform, known as the TEKNE GRAELION (the "**Product**");

WHEREAS BERYL possesses expertise in the field of technical consulting, development of technical documentation, mechanical engineering manufacturing, has experience in technical support for high-unit assembly of high-passability vehicles in the international and Ukrainian market, and is capable of researching and organizing licensed assembly of vehicles based on the Graelion platform;

WHEREAS TEKNE considers the PARTNER well suited to provide local assembly of vehicles based on the Graelion platform, technical maintenance and lifecycle services for vehicles based on the Graelion platform, provided that TEKNE retains absolute control over the Product's core technology and design integrity;

TEKNE

BERYL LLC

WHEREAS TEKNE and **NUBURU DEFENSE** are parties to a strategic network contract (*contratto di rete di imprese*) aimed at managing strategic projects, including research and development, industrialisation, financing, guarantees and international go-to-market initiatives in the defense and security sector, expressly including NATO countries and potential future NATO members, including Ukraine (the "**Network Contract");**

WHEREAS pursuant to a share transfer and shareholder convertible loan transaction executed in December 2025, NUBURU DEFENSE holds a minority equity participation equal to 2.9% of the share capital of TEKNE S.p.A., remaining below any applicable control or notification thresholds and without altering TEKNE's governance structure;

WHEREAS NUBURU DEFENSE participates in this Agreement exclusively as a Network Contract Member, acting as capital provider, procurement enabler and compliance/oversight entity, without interfering with TEKNE's sole design authority or intellectual property;

NOW, THEREFORE, the Parties agree as follows:

1. SUBJECT OF THE AGREEMENT

1.1 Scope

1.1 The Parties shall collaborate with the aim of introducing the Manufacturer's Product to the Ukrainian market through localization of production or direct supply of the Product to Ukraine.

1.1.1 Subject to the content of Clause 1.1., TEKNE shall manufacture the GRAELION vehicle and supply it under a temporary import regime into the territory of Ukraine at its own expense;

1.1.2 Subject to Clause 1.1., BERYL shall conduct research to verify the compliance of the GRAELION vehicle with the characteristics stated by the Manufacturer, carry out mission-specific kit integration for the GRAELION vehicle to bring it into conformity with the technical requirements of state customers in Ukraine for similar vehicles, demonstrate it to potential customers, and return the vehicle immediately upon completion of the research, but no later than 8 (eight) months from the date of its receipt. Upon expiration of the said period, BERYL shall return GRAELION vehicle to TEKNE in the same original condition as received, without any alterations, modifications, or disassembly, except for those expressly agreed upon in writing by the Parties.

1.2 Design Superiority

TEKNE shall be the sole and exclusive provider of the Product chassis and core technology.

1.3 Exclusivity

During the term of this Agreement, the PARTNER is strictly prohibited from representing any product that competes, directly or indirectly, with the TEKNE GRAELION for this Project, with the exception of contracts entered into by the PARTNER prior to the Effective Date of this Agreement.

1.4 Non-Binding Framework

This Agreement is a framework document. Technical specifications, volumes, pricing and commercial terms shall be governed by separate, definitive purchase or supply contracts. TEKNE is under no obligation to supply goods unless and until such definitive agreements are executed.

2. DEFINITIONS AND INTELLECTUAL PROPERTY

2.1 TEKNE IP

All intellectual property owned by TEKNE, including the Product, its design, engineering, CAD data belongs to TEKNE. Any improvements or derivatives developed by the PARTNER ("Post IP"), which are separately identifiable and do not infringe upon TEKNE's Intellectual Property, shall belong to the PARTNER.

2.2 Product

"Product" means the vehicle based on the GRAELION platform (TEKNE GRAELION) and any variants thereof.

2.3 Confidentiality

All technical data, drawings and commercial terms disclosed by TEKNE remain TEKNE's exclusive property, and may be used solely for the purposes of this Agreement.

3. ROLES, DESIGN AUTHORITY, OVERSIGHT AND CONTROL

3.1 Design Authority

TEKNE retains absolute design authority. No modification, mission-specific kit or alteration may be implemented without TEKNE's prior written approval.

3.2 Subcontracting

TEKNE reserves the right to approve or veto any subcontractor or sub-tier supplier interacting with the Product.

3.3 BERYL Obligations

BERYL shall not negotiate with third parties regarding the Product without TEKNE's prior written consent and shall inform TEKNE of any possible infringements of intellectual property rights related to the Product within the territory of Ukraine.

3.4 Direct Client Contact

TEKNE shall not enter into negotiations with any third party, other than the PARTNER, regarding cooperation within the territory of Ukraine concerning the research of the Product in Ukraine for compliance with the characteristics stated by the Manufacturer, including with respect to the mission-specific kit integration of the Product to bring it into conformity with the technical requirements of state customers in Ukraine for similar vehicles.

If TEKNE is contacted directly by an end-client, TEKNE may respond but shall redirect such inquiries to BERYL for coordination, without this constituting a breach.

The above clauses are not applicable for the following clients:

1. State Emergency Service of Ukraine (SESU)
2. Industrial Company Pozhmashina LLC

3.5 Capacity of NUBURU DEFENSE

NUBURU DEFENSE participates solely as Network Contract Member and does not act as manufacturer, distributor or sales agent.

3.6 Capital & Procurement

NUBURU DEFENSE may provide capital, advance payments or procurement support enabling TEKNE to acquire materials and components for the Product, directly or indirectly.

3.7 Oversight & Compliance

NUBURU DEFENSE may perform strategic, operational and compliance oversight, including export-control and sanctions monitoring.

3.8 Ukraine Presence

The Parties acknowledge that the operational and representative presence in Ukraine may be established and maintained by NUBURU DEFENSE, by TEKNE, or jointly by NUBURU DEFENSE and TEKNE, in each case in accordance with the policy, governance principles and allocation of roles provided under the Network Contract. Any such presence shall be limited to oversight, coordination, compliance, technical support and program execution activities and shall not, per se, create a permanent establishment, commercial agency or distribution relationship, unless otherwise expressly agreed in writing.

3.9 Minority Shareholding

The Parties acknowledge that NUBURU DEFENSE holds 2.9% of TEKNE's share capital. Such shareholding does not create control, partnership, joint venture or agency, nor does it affect TEKNE's ownership of the Product or its IP.

4. ECONOMIC FEASIBILITY, PRICING AND FINAL APPROVAL

4.1 Pricing Control

TEKNE and NUBURU DEFENSE shall jointly assess and determine the economic feasibility of any deal, including pricing, margin structure and overall program profitability. Neither Party is obligated to accept pricing terms that do not meet the agreed-upon program profitability thresholds.

4.2 Final Approval

No binding offer or contractual commitment involving the Product shall be submitted to the Client without the joint written approval of TEKNE and NUBURU DEFENSE on the final technical and financial proposal.

BERYL shall determine the price of the final Product on the Ukrainian market based on TEKNE's commercial offer and subsequent price calculations in accordance with the legislation of Ukraine.

5. PROPRIETARY INFORMATION AND NON-CIRCUMVENTION

5.1 Use Limitation

The PARTNER shall use TEKNE proprietary information solely for this Project.

5.2 Non-Circumvention

The PARTNER shall not, during the term of the Agreement and for three (3) years thereafter, engage the Client for similar technology.

5.3 The PARTNER is strictly prohibited from copying, replicating, or attempting to reconstruct the Product, its chassis, core technology, software, or any individual component, whether in whole or in part. This prohibition includes any attempt to create a "look-alike" or "functional equivalent" of the TEKNE GRAELION using third-party components or internal engineering.

Superstructure & Armouring: BERYL has the right to design, study, and manufacture the superstructure and/or armouring locally in Ukraine.

Local Spare Parts: The production of spare parts in Ukraine is permitted, provided that TEKNE gives prior authorization. This will be regulated by additional licensing agreements and royalty payments.

Branding: Total rebranding is not allowed. The vehicle must remain "TEKNE GRAELION," but the Partner has the right to add the designation "by BERYL" to the vehicle.

5.4 Conditional Exclusivity

The PARTNER's exclusive right to participate in projects for the Ministry of Defense of Ukraine and other state customers using the TEKNE GRAELION Product is granted for a term of 2 (two) years.

6. BUSINESS OBJECTIVES AND KPIs

6.1 Strategic Objective

This cooperation supports Network Contract projects in Ukraine, including industrialization, localization and go-to-market of the Product.

6.2 Planning Horizon

- Phase 1 (0–12 months): ramp-up
- Phase 2 (13–36 months): scale-up
- Phase 3 (37–60 months): stabilisation

6.3 Indicative KPIs (Non-Binding)

Phase	Revenue (EUR)	Units
Phase 1	5–10m	5–10
Phase 2	30–50m	25–40
Phase 3	80–120m	80–120

Planning Horizon and KPIs are planning benchmarks only and do not create obligations or override veto rights.

7. EXPORT CONTROL, ITAR AND SANCTIONS

BERYL shall comply with all applicable import/export laws. TEKNE controls all technical data disclosures. No controlled or sensitive data shall be shared without TEKNE's authorization. Nothing in this Agreement obliges TEKNE or NUBURU DEFENSE to breach ITAR, EAR, EU export-control or sanctions regulations.

8. LIMITATION OF LIABILITY, INDEMNIFICATION AND PENALTIES

8.1 General Liability

Each Party shall be liable for non-fulfilment or improper fulfilment of its obligations under this Agreement in accordance with the applicable law of each Party.

8.2 Preservation of Obligations

Payment of damages or penalties shall not release the breaching Party from performance unless lawfully terminated.

8.3 Indemnification

Each Party shall indemnify the other Parties against losses arising from breach, wilful misconduct, gross negligence or regulatory violations attributable to that Party.

8.4 No Joint and Several Liability

Nothing herein creates joint or several liabilities between TEKNE, NUBURU DEFENSE and BERYL.

8.5 Survival

This Article shall survive termination for three (3) years.

9. TERM AND TERMINATION

9.1 Term

This Agreement is valid for twenty-four (24) months from the Effective Date.

9.2 Termination for Performance Failure

The Parties may terminate this Agreement early in case of material breach of its terms by any Party, including in the event of a material change of circumstances.

9.3 Immediate Termination

TEKNE may terminate immediately in case of IP breach, confidentiality breach, change of control of the PARTNER, or unacceptable risk to the Product. BERYL may terminate immediately in case of breach of confidentiality, breach of the provisions of Clause 3.4 of this Agreement, or unacceptable risk to BERYL's reputation arising from the improper quality of the Product.

9.4 Compliance Termination

NUBURU DEFENSE may terminate its participation immediately if required to avoid violations of export-control or sanctions laws.

9.5 Effect of Termination

Termination shall not affect accrued rights, confidentiality, IP ownership or non-circumvention.

9.6 Survival

Non-circumvention obligations survive for one (1) year following termination.

10. ARBITRATION AND GOVERNING LAW

Any dispute arising out of or in connection with the present contract, including any question regarding its existence, validity or termination, shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The seat of arbitration shall be Paris, France. The language of the arbitration shall be English.

11. FINAL PROVISIONS

11.1 Anti-Corruption

All Parties shall comply with applicable anti-corruption laws in Italy, Ukraine and internationally.

11.2 Entire Agreement

This Agreement constitutes the entire agreement between the Parties on its subject matter and may be amended only in writing signed by all Parties.

12. COMMUNICATIONS AND PUBLIC DISCLOSURE

12.1 Corporate Structure Acknowledgement

The Parties acknowledge that NUBURU DEFENSE LLC is a wholly owned subsidiary of Nuburu Inc., a publicly traded company subject to mandatory disclosure obligations.

12.2 Principle of Coordination

No Party shall issue external communications regarding this Agreement or related documentation without prior written consent **of the other Parties.**

12.3 Mandatory Disclosures

Mandatory disclosures may be made to the extent required by law, with prior notice where legally permissible.

12.4 Marketing and Voluntary Communications

Any voluntary communication shall be jointly agreed and coordinated.

12.5 No Implied Endorsement

No Party may use another Party's name or logo without prior consent.

12.6 Survival

This Article shall survive termination.

SIGNATURES

For **TEKNE S.p.A.**

Signature: ________________________

Date: 26/02/2026

For **NUBURU DEFENSE LLC**

Signature: /s/ Dario Barisoni

Date: 03.03.2026

For **ENGINEERING BUREAU "BERYL" LLC**

Signature: ________________________

TEKNE

BERYL LLC

Date: 26.02.2026

Exhibit 10.42

To:
Supply@ME Stock Company 3 S.r.l.
via Giosuè Carducci, 36,
Milan
Italy

10 March 2026

Dear Sirs,

RE: Bond Subscription Agreement

Reference is made to your contractual proposal, the content of which is reproduced below and executed on the last page in sign of unconditional acceptance.

*** ***

"To:

Nuburu® INC.

7442 Tucson Way, Suite 130

Centennial, CO 80112 I

USA

10 March 2026

Dear Sirs,

RE: Bond Subscription Agreement

We refer to our recent discussions and set out below the terms of our proposal in respect of a bond subscription agreement.

*** ***

Bond Subscription Agreement

between:

A) **Supply@ME Stock Company 3 S.r.l.**, a sole quotaholder limited liability company (*società a responsabilità limitata con socio unico*) established in Italy, with its registered office in via Giosuè Carducci, 36, Milan, Italy, corporate capital of EUR 1,000 fully paid up, tax code 10976750967, enrolled with the Companies' Register of Milan-Monza-Brianza-Lodi under no. 10976750967 (the "**Issuer**");

B) **Nuburu® INC.,** a company incorporated under the laws of Delaware (USA), with registered office at 7442 S Tucson Way, Suite 130, Centennial, CO 80112, USA ("**Nuburu**" or the "**Bondholder**");

The Issuer and the Bondholder are together referred to as the "Parties".

WHEREAS:

(1) The Issuer – by a notarial resolution of its quotaholder taken on 10 December 2025 and registered in the companies register of Milano Monza Brianza Lodi on 28 January 2026 – has resolved to issue the up to Euro 30,000,000 variable rate bonds due March 2029 (the "**Bonds**")

with denomination of Euro 100,000 and multiple of Euro 1, in order to fund its operations (including the purchase price of inventories).

(2) The Bonds shall be issued in dematerialised form, centralised with Monte Titoli and represented by accounting records on the latter's system, in compliance with the provisions of article 83 bis of the TUF and of the "Regulation of central counterparties of central depositories and of the centralised management activity" adopted by the Bank of Italy and by CONSOB by a provision dated 13 August 2018 (as amended and supplemented from time to time).

(3) By entering into this agreement (the "**Subscription Agreement**"), the Issuer undertakes to issue on the Issue Date Bonds for a nominal value of Euro 5,250,000.00(the "**Initial Bonds**"), and the Bondholder undertakes to subscribe and pay for Initial Bonds for a nominal value of Euro 5,250,000.00 (the "**Bondholder's Initial Bonds**"), at the terms and conditions set forth below.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

Terms and capitalized expressions not otherwise defined herein should have the same meaning ascribed to them under the terms and conditions of the Bonds which are set forth in the regulation attached herewith *sub* Exhibit A (*Terms and Conditions of the Bonds*) (the "**Conditions**"), which forms an integral part to this Subscription Agreement.

1. Issuance. Subject to the terms and conditions of this Subscription Agreement the Issuer shall issue the Initial Bonds, and the Bondholder shall subscribe for and pay, the Bondholder's Initial Bonds.

2. Price and payment.

   a. The price to be paid by the Bondholder to the Issuer as consideration for the subscription of the Bondholder's Initial Bonds is equal to the aggregate nominal value of the Bondholder's Initial Bonds equal to Euro 5,250,000.00 (the "**Subscription Price**").

   b. Subject to the satisfaction of the CPs set forth in section 3 (*Conditions Precedent*) below, the Bondholder shall subscribe and pay for the Bondholder's Initial Bonds and the obligation to pay the Subscription Price shall be deemed to be discharged on the Issue Date (i) as to Euro 4,824,293.83, through offset against advance payments made available by Nuburu in four tranches ultimately in favour of the Issuer (the "**Advance Payment**"); such Advance Payment is to be deemed as future subscription price for the Bondholder's Initial Bonds (*versamento in conto futura sottoscrizione titoli*) and (ii) as to Euro 425,706.17, through offset with the amounts due on the Issue Date as one-off premia by the Issuer to the Bondholder pursuant to the agreements regulating the relevant Advance Payment and additional separate agreements between the Parties.

   c. The Initial Bonds shall be delivered by the settlement delivery versus payment issuance procedure (DVP ISSUANCE) with countervalue zero, with value date as at the Issue Date by the centralised management and liquidation system managed by Monte Titoli, and the Bondholder's Initial Bonds shall be delivered for the benefit and on behalf of the Bondholder, to the securities account opened by the Bondholder the details of which shall be separately communicated by the Bondholders to the Issuer and the Paying Agent.

3. Conditions Precedent.

   a. The obligations of the Issuer to issue the Initial Bonds, and of the Bondholder to subscribe and pay for, the Bondholder's Initial Bonds under this Subscription Agreement are subject to the satisfaction of the following conditions precedent (the

"**CPs**" and each a "**CP**"), which shall have to be satisfied by the Issue Date:

(i) the delivery to the Bondholder, by the Issue Date, of a copy of the resolution(s) of the quotaholders' meeting of the Issuer approving, among other things, the issue of the Bonds and the execution of the Security Documents to which the Issuer is a party, and proof of the latter's enrolment with the competent Companies' Register pursuant to article 2483 of the Italian Civil Code (the "**Resolutions**");

(ii) the execution, between the Issuer and Monte Titoli, of an agreement for the centralization of the Bonds with Monte Titoli and the delivery to Monte Titoli, by the Issue Date, of instructions for the crediting of the Bondholder's Initial Bonds to the Bondholder's account on the Issue Date;

(iii) the delivery to the Bondholder of copy of the memorandum of association and of the articles of association of the Issuer, updated as at the Issue Date;

(iv) the delivery to the Bondholder of a certificate addressed to the Bondholder, dated as at the Issue Date and confirming that from the date of this Subscription Agreement to the Issue Date:

(a) no Material Adverse Change nor any other Trigger Events occurred;

(b) no event occurred that may determine the untruthfulness, as at the Issue Date, of any of the representations and warranties made by the Issuer pursuant to section 6 (*Issuer's Warranties*);

(c) no breach occurred of any of the obligations undertaken by the Issuer pursuant to the transaction documents governing the issuance of the Bonds.

b. If any of the CPs is not satisfied or waived (except for the CP under sections 3(a)(i)) by the Bondholder by the Issue Date, the obligations of the Parties under this Subscription Agreement shall automatically cease to be valid and effective - except for the provisions under sections 10 (*Confidentiality*), 11 (*Notices*), 14 (*Governing Law*) and 15 (*Exclusive Jurisdiction*) below which shall survive and remain fully effective - and the Parties shall have no claim against each other, except for any breach that may have been performed by a Party prior to that moment.

4. Cooperation. The Parties shall use their commercially reasonable efforts to cooperate with each other, perform any action, enter into any agreement or provide any information that may be required or reasonably appropriate and useful, in order to allow the issuance of the Bonds and the relevant subscription and the completion of the activities and fulfilments envisaged in this Subscription Agreement.

5. Closing. On the Issue Date:

a. if not already provided, the Issuer shall provide to the Bondholder evidence of the satisfaction of the CPs;

b. the Bondholder shall pay the Subscription Price pursuant to, and in accordance with, section 2 (*Price and payment*) above;

c. the Issuer shall issue the Initial Bonds pursuant to, and in accordance with, section 2.c (*Price and payment*) above.

6. Issuer's Warranties.

a. The Issuer makes the following representations and warranties to the Parties (the "**Issuer's Warranties**"):

(i) *Status*. It is a limited liability company, duly incorporated and validly existing under the law of its jurisdiction of incorporation.

(ii) *Power and no conflicts*. Subject to the Resolutions being registered with the competent Companies' Register, the Issuer has the power to create and issue the Bonds and to enter into and perform, and has taken all necessary action to authorize the creation and issue of the Bonds and the obligations to be assumed by it in this Subscription Agreement, under the Conditions and the Security Documents. The approval, issuance and performance of the Bonds, this Subscription Agreement, the Conditions and the Security Documents do not result in the violation or breach of, or conflict with any of, the Issuer's articles of association and by-laws or other undertakings assumed by the Issuer.

(iii) *Validity*. All authorizations required to enable it lawfully to the creation and issue of the Bonds and to enter into, exercise its rights and comply with its obligations under this Subscription Agreement and the Conditions have been obtained and are in full force and effect.

(iv) *No insolvency proceedings*. *Solvency*. The Issuer is not insolvent and, to its knowledge, was not made the subject-matter of and applications to make it subject to any insolvency proceedings, and no provision to make it subject to insolvency proceedings was issued against it, and it is not in liquidation, nor is it in any of the situations provided for by articles 2482/2 or 2482/3 of the Italian Civil Code, and no meeting was convened for its placement into liquidation (or the request for placement into liquidation), and no resolutions aimed at its liquidation were approved.

(v) *KYC*. The Issuer conducts its business in accordance with the applicable anti-money laundering and anti-corruption laws in force from time to time and in accordance with the mandatory procedures and requirements set forth in the relevant applicable provisions.

(vi) *Fairness and accuracy of information*. All statements and information relating to the Issuer, as well as the documentation from time to time provided by the Issuer to the Bondholder is true, complete and accurate in all material respects.

(vii) *Absence of Trigger Event and Material Adverse Change*. No Trigger Event or Material Adverse Change has occurred.

b. The Issuer's Warranties are true and accurate in all material respect on the date of this Subscription Agreement and shall be deemed true and accurate in all material respect at every moment during each Interest Period.

7. <u>Bondholder's Warranties and Undertakings</u>.

a. The Bondholder makes the following representations and warranties to the Parties (the "**Bondholder's Warranties**"):

(i) *Professional investor*. The Bondholder represents and warrants to the Parties that it is a Professional Investor.

(ii) *Power, authorization and no conflicts*. The Bondholder has the power to subscribe and hold the Bondholder's Initial Bonds and has obtained all consents, approvals and authorizations, if any, required and necessary in connection with the subscription and holding of the Bondholder's Initial Bonds and the performance of the obligations to be assumed by the Bondholder in this Subscription Agreement and under the Conditions. The subscription of the Bondholder's Initial Bonds, entering into, performing and complying with this Subscription Agreement and the Conditions do not result in the violation or breach of, or conflict with any of, the Bondholder's articles of association, by-laws and/or incorporation documents (as may be applicable) or other undertakings assumed by the Bondholder.

b. The Bondholder's Warranties are true and accurate in all material respect on the date of this Subscription Agreement and shall be deemed true and accurate in all material respect at every moment during the Interest Period.

8. Withdrawal.

a. *Right of withdrawal.* The Parties hereby mutually acknowledge that the Bondholder shall be entitled to withdraw from this Subscription Agreement at any time before the Issue Date if:

(i) any Issuer's warranties made by the Issuer pursuant to this Subscription Agreement is, or proves to be for any reason, untrue or inaccurate on the date on which it was made or on the date on which it is meant to be repeated;

(ii) the Issuer fails to perform any of its obligations pursuant to this Subscription Agreement;

(iii) any of the CPs specified in section 3 (*Conditions Precedent*) did not occur or the Bondholder did not waive it; or

(iv) by the Issue Date any unforeseeable and extraordinary circumstances occur, as provided for in international practice causing (A) material adverse changes in the political, financial, economic, legislative, currency, market situation, whether at domestic or at international level, as well as any changes relating to domestic or international monetary conditions or in the exchange rate situation, or (B) material adverse events concerning the financial, equity, income or managerial situation of the Issuer, in both cases (A) and (B) where such changes or events make the Initial Bonds issuance impossible or otherwise materially prejudice the potential market for the Bonds in a way that is disproportionate compared to other comparable markets.

b. *Consequences of the withdrawal.* Following the withdrawal by the Bondholder pursuant to section 8(a) above:

(i) the Issuer shall be released from its obligations vis-à-vis the Bondholder pursuant to this Subscription Agreement;

(ii) the Bondholder shall be exempted from performing any obligation arising from or connected with this Subscription Agreement; and

(iii) the Issuer shall have an obligation to repay any amounts owed to the Bondholder in connection with this Subscription Agreement, should the latter have already paid them, within thirty Business Days following the day of receipt of a written notice in the manner specified in section 11 below (*Notices*), whereby the Bondholder notifies to the Issuer its intention of exercise the right set forth under this section 8.

9. Selling restrictions. In accordance with the Conditions, the Bonds can only be freely transferred to persons who, as declared by the purchaser at the moment of the execution of the purchase agreement, are Professional Investors.

10. Confidentiality. Except as otherwise agreed in writing by the Parties, from the date of this Subscription Agreement until the 2nd anniversary of the date on which the Conditions ceases to be effective *vis-à-vis* the Bondholder, (regardless of whether it occurs as a result of a redemption or due to other reasons, such as a transfer of any of the Bonds to a third party), each Party undertakes to maintain – and to ensure that its consultants, directors, employees and partners maintain – strictly confidential and not to disclose to any third parties the

existence of this Subscription Agreement, the provisions contained herein, as well as any information on the Issuer received pursuant to this Subscription Agreement or the Conditions, except (i) for the purpose of fulfilling the obligations hereunder or enforcing their rights as provided herein, (ii) as may be required by law or by a governmental, regulatory or stock exchange authority of competent jurisdiction, or (iii) with the prior joint consent of the Issuer and the Bondholder (including for the purposes of any potential press release concerning the transaction envisaged by these Subscription Agreement); and (iv) for the right of the Bondholder to list and/or mention the Subscription Agreement and the transaction envisaged herein for internal reporting only.

11. Notices.

a. *Addresses*. Any communication or notice required and/or permitted to be given under this Subscription Agreement shall be made in writing and in English language, and shall be delivered (i) by hand, (ii) by express courier (providing proof of delivery) sent in advance by e-mail, (iii) by registered letter with return receipt sent in advance by e-mail, or (iv) by e-mail to the following addresses:

(i) If to **Supply@ME Stock Company 3 S.r.l.:**

via Giosuè Carducci, 36,

Milan

Italy

Email: matteo.ricchebuono@sfetradex.com

To the attention of Jonathan Matteo Ricchebuono

(ii) If to **Nuburu® INC.**

7442 Tucson Way, Suite 130

Centennial, CO 80112 I

USA

Email: alessandro.zamboni@nuburu.net

To the attention of Alessandro Zamboni

or to such other address as may be notified in writing from time to time by the relevant Party to the other Party.

12. Costs – Taxes. Except as otherwise specifically provided herein or agreed between the Parties, each Party shall pay its own fees, expenses and disbursements respectively incurred in connection with the negotiation, preparation and implementation of this Subscription Agreement, including (without limitation) any fees and disbursements due to its respective auditors, advisors and legal counsels.

13. Severability. In the event that any provision of this Subscription Agreement or of the Conditions is or becomes invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby as long as the remaining provisions do not fundamentally alter the relations among the Parties and the Parties shall negotiate and agree to a fair revision of this Subscription Agreement and/or of the Conditions, and, more in general, of the instrument, so as to replace the invalid, illegal or unenforceable provisions with provisions as similar in terms to such invalid, illegal or unenforceable provision as may be possible and be valid, legal and enforceable.

14. Governing Law. This Subscription Agreement shall be governed in all respects, including as

to validity, interpretation and effect, by the Laws of the Republic of Italy, without giving effect to its principles or rules of conflict of Laws.

15. Exclusive Jurisdiction. Any disputes arising out of, or connected with, this Subscription Agreement shall be decided by the Court of Milano (Italy) on an exclusive basis.

*** ***

If you agree on the above, please return to us the content of this Subscription Agreement, duly executed as a sign of full and unconditional acceptance of the above.

Best regards,

____

Supply@ME Stock Company 3 S.r.l.

Name:

Title: "

****

In sign of unconditional acceptance.

Best regards,

/s/ Alessandro Zamboni
Nuburu® INC.
Name: Alessandro Zamboni
Title: Co-Chief Executive Officer

Exhibit 10.43

To

Nuburu Inc.

44 Cook Street, Suite 100

Denver, CO 80206

United States

For the kind attention of Dr Alessandro Zamboni

By email: alessandro.zamboni@nuburu.net

and

Nuburu Defense LLC

44 Cook Street, Suite 100

Denver, CO 80206

United States

For the kind attention of Dr Alessandro Zamboni

By email: alessandro.zamboni@nuburu.net

and cc

Tekne S.p.A.

C.da San Matteo no. 42

66030, Poggiofiorito (CH), Italy

Via certified email: *teknespa@pec.it*

19 March 2026

SUBJECT: **Provision of additional financial resources in favour of Tekne S.p.A. (the "Company"), agreements for the acquisition of up to a 70% stake in Tekne's share capital by Nuburu and certified restructuring plan**

Dear Sirs,

We refer to (i) the share transfer and shareholder loan agreement signed on 8 January 2026 (the **"Share Transfer and Shareholder Loan Agreement"**) between Tekne, the undersigned Ambrogio

D'Arrezzo, Carlo Ulacco and Andrea Lodi, in their capacity as shareholders of the Company (the "**Shareholders**"), on the one hand, and Nuburu Inc. ("**Nuburu**") on the other hand (which, together with Tekne, the Shareholders and Nuburu Defense LLC, are defined as the "**Parties**"); and (ii) the certified restructuring plan pursuant to Article 56 of the Italian Crisis Code currently under assessment by the Company (the **"Restructuring Plan"**).

Unless otherwise specified, the terms set out below with an initial capital letter have the same meaning as the one attributed to them in the Share Transfer and Shareholder Loan Agreement.

Pursuant to the Share Transfer and Shareholder Loan Agreement, Nuburu has made the Shareholder Loan available to the Company (for an amount of €13,000,000) and Nuburu Defense LLC has become the holder of a stake in Tekne equal to 2.90% of the Company's share capital (corresponding to 32,231 shares in the Company), against the issue of a note convertible into 1,394,790 Nuburu shares, taking into account the reverse split completed on 2 March 2026.

In this context, as already anticipated in the negotiation between the Parties, the Shareholders consider necessary to provide the Company with additional financial resources in order to support both the Company's production and the agreements with banks and suppliers under the Restructuring Plan (the **"Additional Resources"**) and, in particular:

(i) an amount of €3,692,000 to be paid by 20 March 2026; and

(ii) a further sum of €13,000,000, to be paid upon obtaining of the GP Authorisation (as defined below), subject to the availability (subject to agreement on the terms, timing and use of proceeds) of Nuburu – pending the GP Authorisation – to consider other forms of financial support (through an increase of the Shareholder Loan and/or the transaction to monetise the Company's inventory / destocking and/or other technical arrangements to be agreed) that may be requested by Tekne.

In light of the above, and in view of Nuburu Defense LLC acquiring a total 70% stake in the Company and further developing the industrial collaboration between the Parties, we hereby confirm our intention to carry out a broader corporate and industrial transaction and, to this end, to proceed with the filing of an application to the *Presidenza del Consiglio dei Ministri* in accordance with the Golden Power regulations ("**GP Authorisation**").

In particular, we confirm our willingness, in addition to the provisions of the Share Transfer and Shareholder Loan Agreement, to carry out a transaction – in accordance with applicable legislation – in the context of which the following will be implemented:

(i) provision by Nuburu (on behalf of Nuburu Defense LLC) of the Additional Resources, to be made available to the Company as follows:

a. upon acceptance of this letter, €3,692,000, in the form of an increase in the Shareholder Loan (and therefore on the same economic and conversion terms as provided for in the Share Transfer and Shareholder Loan Agreement, taking into account the valuation of the Company set for therein equal to €52,000,000 – **"Tekne Valuation"**); and

b. once the GP Authorisation has been obtained, a further amount equal to €13,000,000 by way of a capital increase (including any share premium) reserved for subscription, or in any event offered for subscription, to Nuburu Defense LLC and to be paid in cash as further specified in point (ii) below (**"Capital Increase"**);

(ii) further agreements between the Shareholders and Nuburu aimed at obtaining, subject to the Tekne Valuation and the introduction of anti-dilution mechanisms to protect each shareholder, a total stake – held by Nuburu Defense LLC – of 70% in the Company (whilst the remaining 30% stake will remain in the ownership of the Shareholders).

In particular (in addition to the 2.9% already held by Nuburu Defense LLC), and subject to obtaining GP Authorisation, Nuburu Defense LLC:

a. will subscribe for the Capital Increase for a total of €29,692,000, thereby acquiring a stake representing 57.1% of the Company's share capital (fully diluted and, for the sake of clarity, excluding the 2.9% of the corporate capital already held by Nuburu Defense), to be paid up by means of:

(1) conversion (where not repaid) of the entire amount of the Shareholder Loan totalling €16,692,000 (equal to the sum of ***(x)*** €13,000,000 already paid to the Company pursuant to the Share Transfer and Shareholder Loan Agreement and ***(y)*** the further amount of €3,692,000 referred to in point (i)(a) above) for a stake of 32.1% in the Company; and

(2) a cash payment of €13,000,000 referred to in point (i)(b) above for a stake representing 25% of the Company; and

b. subject to the full subscription and payment of the Capital Increase, it will acquire from the Shareholders (on a *pro-rata* basis) a further 10% stake in the Company, valued by mutual agreement at a fixed amount of €6 million to be paid in cash, thereby holding a 70% stake in Tekne's share capital (fully diluted);

(iii) as part of the Restructuring Plan, the possible purchase or financial lease of the industrial complex situated in the Municipality of Ortona (CH) in Contrada Villa Caldari ("**MaxiLog**") on terms to be agreed in good faith between the Parties, as well as the development (within the framework of the existing network agreement (*contratto di rete*) between the Company and Nuburu Defense LLC) of further business lines, including the manufacture of mobile units for the dual-use production of drones and related components;

(iv) the spin-off from the Company, in accordance with technical arrangements to be discussed and defined by the Parties in good faith, of the latter's shareholding in the company Turismo Italia S.r.l. (VAT No. 02679790697) and of the following vehicles (i.e. Mercedes CB648YJ, Ferrari GC621RN, Land Rover Defender ZA860XB and Porsche FN067ST), subject to the Tekne Valuation;

(v) the Restructuring Plan, in accordance with procedures (including the appointment of the certifier (*attestatore*)) and documentation to be defined in good faith between the Parties, which incorporates, insofar as relevant to the Company's restructuring project, the intervention of Nuburu/Nuburu Defense LLC as set out in this letter.

(the activities described in points (i) to (v), collectively the "**Transaction**").

Subject to the foregoing and the obtaining of the necessary authorisations for the completion of the Transaction (including the GP Authorisation), the terms and conditions of the Transaction shall be set out in specific contractual documentation to be negotiated in good faith between the Shareholders, Tekne, Nuburu and Nuburu Defense LLC with the required diligence and celerity, also taking into account the Company's need to raise the Additional Resources, and we hereby undertake, in our capacity as Shareholders and also on behalf of the Company, not to take any action that might prejudice or make more burdensome the completion of the Transaction.

Should you be willing to negotiate the terms and conditions of the Transaction in good faith, please return a duly signed copy of this letter to us as in sign of acceptance of the provisions herein.

The Parties hereby undertake, each within its respective sphere of competence, to keep confidential both the existence and the contents of this letter, as well as any information exchanged between them in relation to the matters set out in this letter and arising therefrom, and not to disclose such information to third parties (except to their own legal, financial and tax advisers), unless otherwise required by law or stock exchange regulations, without the prior written consent of the other Parties. Notwithstanding the foregoing, and also for the purpose of obtaining the necessary legal authorisations, the Parties acknowledge that each of them, within the scope of their respective competences, shall be entitled to deliver the letter — as well as to refer to it or transmit extracts thereof — to the competent national and foreign authorities, to the extent that such delivery is necessary or reasonably deemed appropriate for the purposes of obtaining the authorisations, approvals, clearances or communications required for the completion of the Transaction, subject to prior notification to the other Party.

This letter is governed by Italian law. Any dispute relating thereto shall be subject to the exclusive jurisdiction of the Court of Milan.

/s/ Ambrogio D'Arrezzo	**/s/ Carlo Ulacco**	**/s/ Andrea Lodi**
Ambrogio D'Arrezzo	**Carlo Ulacco**	**Andrea Lodi**

***

On behalf of:

Nuburu Inc.	**Nuburu Defense LLC.**
/s/ Alessandro Zamboni	**/s/ Alessandro Zamboni**
Alessandro Zamboni	Alessandro Zamboni

Exhibit 21.1

List of Subsidiaries of Nuburu, Inc.

Name	Jurisdiction of Incorporation or Organization	Name under which Subsidiary does Business
Nuburu Defense, LLC	Delaware	Nuburu Defense
Nuburu Subsidiary, Inc.	Delaware	Nuburu Subsidiary
Lyocon S.r.l.	Italy	Lyocon

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Alessandro Zamboni, certify that:

(1) I have reviewed this Annual Report on Form 10-K of Nuburu, Inc.;

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

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

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

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

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

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

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2026

By: /s/ Alessandro Zamboni
Alessandro Zamboni
Executive Chairman and Co-Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Dario Barisoni, certify that:

(1) I have reviewed this Annual Report on Form 10-K of Nuburu, Inc.;

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

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

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

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

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

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

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2026

By: /s/ Dario Barisoni
Dario Barisoni
Co-Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.3

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Alessandro Zamboni, certify that:

(1) I have reviewed this Form 10-K of Nuburu, Inc.;

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

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

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

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

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

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

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 31, 2026

By: /s/ Alessandro Zamboni
Alessandro Zamboni
Executive Chairman and Co-Chief Executive Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

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

In connection with the Annual Report of Nuburu, Inc. (the "Company") on Form 10-K for the period ending December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 31, 2026	By:	/s/ Alessandro Zamboni
		Alessandro Zamboni
		Executive Chairman and Co-Chief Executive Officer
		(Principal Executive Officer)

Exhibit 32.2

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

In connection with the Annual Report of Nuburu, Inc. (the "Company") on Form 10-K for the period ending December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 31, 2026

By: /s/ Dario Barisoni
Dario Barisoni
Co-Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.3

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

In connection with the Annual Report of Nuburu, Inc. (the "Company") on Form 10-K for the period ending December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 31, 2026

By: /s/ Alessandro Zamboni
Alessandro Zamboni
Executive Chairman and Co-Chief Executive Officer
(Principal Financial and Accounting Officer)