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

FORM 10-Q

(Mark One)

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

For the quarterly period ended **September 30, 2026**

OR

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

For the transition period from _____ to _____

Commission file number: 001-37960

POLAR POWER, INC.

(Exact name of registrant as specified in its charter)

Delaware	**33-0479020**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)
249 E. Gardena Blvd., Gardena, California	**90248**
(Address of principal executive offices)	**(**Zip Code)

(310) 830-9153

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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	POLA	The NASDAQ Stock Market, LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that 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 emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☐	Accelerated Filer ☐
Non-Accelerated Filer ☒	Smaller Reporting Company ☒
	Emerging Growth Company ☐

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

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

The number of shares outstanding of the Registrant's common stock, $0.0001 par value, as of November 23, 2026 was 8,243,654.

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION	1
ITEM 1. Condensed Financial Statements	1
ITEM 2. Management's Discussion And Analysis Of Financial Condition And Results Of Operations	20
ITEM 3. Quantitative and Qualitative Disclosures About Market Risk	29
ITEM 4. Controls and Procedures	29
PART II – OTHER INFORMATION	30
ITEM 1. Legal Proceedings	30
ITEM 1A. Risk Factors	30
ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds	47
ITEM 3. Defaults Upon Senior Securities	47
ITEM 4. Mine Safety Disclosure	47
ITEM 5. Other Information	47
ITEM 6. Exhibits	47

FORWARD LOOKING AND CAUTIONARY STATEMENTS

All statements included or incorporated by reference in this Quarterly Report on Form 10-Q, other than statements or characterizations of historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Examples of forward-looking statements include, but are not limited to, statements concerning projected net sales, costs and expenses and gross margins; our accounting estimates, assumptions and judgments; the demand for our products; the effect and consequences a pandemic and recovery on matters including U.S., local and foreign economies, wars and international conflicts including the current military actions involving the Iran and Israel, our business operations, the ability of financing and the health and productivity of our employees; the competitive nature of and anticipated growth in our industry; production capacity and goals; our ability to consummate acquisitions and integrate their operations successfully; and our prospective needs for additional capital. These forward-looking statements are based on our current expectations, estimates, approximations and projections about our industry and business, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions and variations or negatives of these words. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors, some of which are listed under "Risk Factors" in Part II, Item 1A, and in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part I, Item 2 of this Quarterly Report on Form 10-Q. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. We undertake no obligation to revise or update publicly any forward-looking statement for any reason, except as otherwise required by law.

References in this Quarterly Report on Form 10-Q to "Polar," the "Company," "we," "us," and "our" refer to Polar Power, Inc., a Delaware corporation.

FINANCIAL PRESENTATION

All dollar amounts in this Quarterly Report on Form 10-Q are presented in thousands, except share and per share data and where otherwise noted. Share and per share data have been retroactively adjusted to reflect the decreased number of shares resulting from a 1 for 7 reverse stock split which took effect on November 18, 2024.

PART I – FINANCIAL INFORMATION

ITEM 1. Condensed Financial Statements

POLAR POWER, INC.
CONDENSED BALANCE SHEETS
(in thousands, except share and per share data)

	September 30, 2026 (Unaudited)	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 16	$ 200
Accounts receivable, net	487	330
Inventories, net	9,149	9,425
Prepaid expenses	110	76
Total current assets	9,762	10,031
Other assets:		
Operating lease right-of-use assets	—	278
Property and equipment, net	81	128
Total assets	$ 9,843	$ 10,437
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 2,546	$ 2,506
Customer deposits	1,147	764
Accrued liabilities and other current liabilities	1,381	1,462
Line of credit	1,568	4,036
Notes payable-related party	201	612
Notes payable	26	438
Convertible notes payable, net of discount	484	—
Derivative liabilities	646	—
Operating lease liabilities	—	475
Total liabilities	7,999	10,293
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock, $0.0001 par value, 5,000,000 shares authorized, 2,294 shares issued and outstanding on September 30, 2026, and no shares issued or outstanding on December 31, 2025	30	—
Common stock, $0.0001 par value, 50,000,000 shares authorized, 4,393,024 shares issued and 4,390,527 shares outstanding on September 30, 2026, and 2,680,156 shares issued and 2,677,659 shares outstanding on December 31, 2025	—	—
Additional paid-in capital	45,477	39,653
Accumulated deficit	(43,623)	(39,469)
Treasury Stock, at cost (2,497 shares)	(40)	(40)
Total stockholders' equity	1,844	144
Total liabilities and stockholders' equity	$ 9,843	$ 10,437

See Accompanying Notes to the Condensed Financial Statements

POLAR POWER, INC.
UNAUDITED CONDENSED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net Sales	$ 711	$ 1,273	$ 3,457	$ 5,704
Cost of Sales (includes inventory write-downs of $1,967 for the three and nine months ended September 30, 2025)	1,052	3,533	3,000	6,715
Gross profit (loss)	(341)	(2,260)	457	(1,011)
Operating Expenses				
Sales and marketing	127	198	412	642
Research and development	175	157	472	463
General and administrative	996	807	2,859	2,518
Impairment of right-of-use assets and lease deposits	—	455	—	455
Total operating expenses	1,298	1,617	3,743	4,078
Loss from operations	(1,639)	(3,877)	(3,286)	(5,089)
Other income (expenses)				
Interest expense and finance costs (including $15, $4, $30 and $10 interest expense and finance costs to related parties, respectively)	(474)	(208)	(1,124)	(543)
Change in derivative liability valuation	205	—	493	—
Other Income	—	—	—	11
Total other income (expenses), net	(269)	(208)	(631)	(532)
Net loss	(1,908)	(4,085)	(3,917)	(5,621)
PIK dividends on Series A Preferred Stock	(30)	—	(30)	—
Deemed dividend upon conversion of notes payable-related party	(207)	—	(207)	—
Net loss attributable to common stockholders	$ (2,145)	$ (4,085)	$ (4,154)	$ (5,621)
Net loss per share attributable to common stockholders – basic and diluted	$ (0.53)	$ (1.63)	$ (1.11)	$ (2.24)
Weighted average shares outstanding, basic and diluted	4,051,132	2,511,532	3,739,418	2,511,103

See Accompanying Notes to the Condensed Financial Statements

POLAR POWER, INC.
UNAUDITED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except share data)

Three months Ended September 30, 2026

	Series A Convertible Preferred Stock		Common Stock		Additional paid-in capital	(Accumulated Deficit)	Treasury Stock	Total Stockholders' Equity
	Number	Amount	Number	Amount				
Balance, June 30, 2026 (unaudited)	—	$ —	3,814,181	$ —	$ 42,375	$ (41,478)	$ (40)	$ 857
Fair value of common stock issued to consultants for services	—	—	133,113	—	197	—	—	197
Common stock issued for cash under ELOC, net of offering costs	—	—	403,947	—	641	—	—	641
Fair value of Series A preferred stock and warrants issued for cash	1,611	—	—	—	1,400	—	—	1,400
Fair value of Series A Preferred stock and warrants issued upon conversion of notes payable-related party	683	—	—	—	822	—	—	822
Deemed dividend upon conversion of notes payable-related-party	—	—	—	—		(207)	—	(207)
Fair value of common stock issued upon conversion of notes payable	—	—	41,783	—	42	—	—	42
PIK dividends on Series A Preferred Stock	—	30	—	—	—	(30)	—	—
Net loss	—	—	—	—	—	(1,908)		(1,908)
Balance, September 30, 2026 (unaudited)	2,294	$ 30	4,393,024	$ —	$ 45,477	$ (43,623)	$ (40)	$ 1,844

Nine months ended September 30, 2026

	Series A Convertible Preferred Stock		Common Stock		Additional paid-in Capital	(Accumulated Deficit)	Treasury Stock	Total Stockholders' Equity
	Number	Amount	Number	Amount				
Balance, December 31, 2025	—	$ —	2,680,156	$ —	$ 39,653	$ (39,469)	$ (40)	$ 144
Fair value of common stock issued to consultants for services	—	—	304,638	—	495	—	—	495
Common stock issued for cash under ATM offering, net of offering costs	—	—	962,500	—	2,424	—	—	2,424
Common stock issued for cash under ELOC, net of offering costs	—	—	403,947	—	641	—	—	641
Fair value of Series A preferred stock and warrants issued for cash	1,611	—	—	—	1,400	—	—	1,400
Fair value of Series A Preferred stock and warrants issued upon conversion of notes payable-related party	683	—	—	—	822	—	—	822
Deemed dividend upon conversion of notes payable-related-party	—	—	—	—	—	(207)	—	(207)
Fair value of common stock issued upon conversion of notes payable	—	—	41,783	—	42	—	—	42
PIK dividends on Series A Preferred Stock	—	30	—	—	—	(30)	—	—
Net loss	—	—	—	—	—	(3,917)	—	(3,917)
Balance, September 30, 2026 (unaudited)	2,294	$ 30	4,393,024	$ —	$ 45,477	$ (43,623)	$ (40)	$ 1,844

Three months Ended September 30, 2025

	Series A Convertible Preferred Stock		Common Stock		Additional paid-in capital	(Accumulated Deficit)	Treasury Stock	Total Stockholders' Equity
	Number	Amount	Number	Amount				
Balance, June 30, 2025 (unaudited)	—	$ —	2,514,029	$ —	$ 38,896	$ (31,872)	$ (40)	$ 6,984
Net loss	—	—	—	—	—	(4,085)	—	(4,085)
Balance, September 30, 2025 (unaudited)	—	$ —	2,514,029	$ —	$ 38,896	$ (35,957)	$ (40)	$ 2,899

Nine months ended September 30, 2025

	Series A Convertible Preferred Stock		Common Stock		Additional paid-in capital	(Accumulated Deficit)	Treasury Stock	Total Stockholders' Equity
	Number	Amount	Number	Amount				
Balance, December 31, 2024	—	$ —	2,511,350	$ 2	$ 38,886	$ (30,336)	$ (40)	$ 8,512
Adjustment of common stock for reverse stock split	—	—	—	(2)	2	—	—	—

Issuance of common stock to director for accrued fees	—	—	2,679	—	8	—	—	8
Net loss	—	—	—	—	—	(5,621)	—	(5,621)
Balance, September 30, 2025 (unaudited)	—	$ —	2,514,029	$ —	$ 38,896	$ (35,957)	$ (40)	$ 2,899

See Accompanying Notes to the Condensed Financial Statements

POLAR POWER, INC.
UNAUDITED CONDENSED STATEMENTS OF CASH FLOW
(in thousands)

	Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities:		
Net loss	$ (3,917)	$ (5,621)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	47	51
Inventory write-down	—	1,967
Issuance of common stock as compensation for services	497	—
Changes in warranty reserve	(450)	—
Amortization of debt discount of convertible notes	406	—
Change in fair value of derivative liabilities	(492)	—
Impairment of right-of-use assets and lease deposits	—	455
Changes in operating assets and liabilities		
Accounts receivable	(157)	1,297
Inventories	276	34
Prepaid expenses	(34)	(16)
Operating lease right-of-use asset	278	920
Accounts payable	40	1,099
Accrued interest added to notes payable-related party	30	8
Customer deposits	383	115
Accrued expenses and other current liabilities	370	119
Operating lease liability	(475)	(1,017)
Net cash used in operating activities	(3,198)	(589)
Cash flows from financing activities:		
Proceeds from issuance of common stock under ATM facility, net	2,424	—
Proceeds from issuance of common stock under ELOC, net	641	—
Proceeds from sale of Series A Preferred stock and warrants, net of offering cost	1,400	—
Repayment of notes payable	(413)	—
Proceeds from notes payable-related party	180	240
Repayments notes payable-related party	(6)	—
Repayment of advances from credit facility, net	(2,468)	(145)
Proceeds from convertible notes payable	1,286	—
Repayment of convertible notes payable	(30)	—
Net cash provided by financing activities	3,014	95
Decrease in cash and cash equivalents	(184)	(494)
Cash and cash equivalents, beginning of period	200	498
Cash and cash equivalents, end of period	$ 16	$ 4
Supplemental Cash Flow Information:		
Interest paid	$ 1,104	$ 606
Supplemental non-cash investing and financing activities:		
Issuance of common stock to director for accrued fees	$ —	$ 8
Fair value of embedded conversion feature recognized as derivative liabilities with corresponding debt discount upon issuance of convertible notes	$ 1,138	—
Issuance of common stock upon conversion of convertible notes payable	$ 40	—
Fair value of preferred and warrants issued upon notes payable to related party	$ 822	—
Deemed dividend on conversion of notes payable-related-party	$ 207	—
PIK dividend accrued on Series A Preferred stock	$ 30	—

See Accompanying Notes to the Condensed Financial Statements

POLAR POWER, INC.
NOTES TO CONDENSED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026 AND 2025
(In thousands, except for share and per share data and where otherwise noted)
(UNAUDITED)

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company

Polar Power, Inc. was incorporated in the State of Washington as Polar Products, Inc. and in 1991 reincorporated in the State of California under the name Polar Power, Inc. In December 2016, Polar Power, Inc. reincorporated in the State of Delaware (the "Company", "we" or "us"). The Company designs, manufactures and sells direct current, or DC, power systems to supply reliable and low-cost energy to off-grid, bad-grid and backup power, electric vehicle ("EV") charging, and nano-grid applications. The Company's products integrate DC generator, proprietary electronic control systems, lithium batteries and solar photovoltaic ("PV") technologies to provide low operating cost and emissions for telecommunications, Defense, automotive, nano-grid, EV charging and industrial markets.

Going concern, Liquidity and recent events

The accompanying financial statements have been prepared under the assumption that the Company will continue as a going concern. In accordance with Accounting Standards Codification ("ASC") 205-40, *Going Concern*, the Company's management has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date the accompanying financial statements were issued. For the nine months ended September 30, 2026, the Company recorded a net loss of $3,917 and used cash in operations of $3,198. In addition, our independent registered public accounting firm, in its audit report to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025, expressed substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company manufactures and assembles its DC power systems at two production facilities located in Gardena, California. It is currently delinquent in rent payments to its landlords for its headquarters and warehouse facilities. The landlord for its headquarters facility at 249 E. Gardena Blvd., Gardena, California filed a summons for eviction on October 24, 2025. On February 23, 2026, the landlord stopped the actions for eviction and continued discussions with the Company to resolve the delinquent rents and expired lease agreement. The landlord for the other warehouse for which the Company is delinquent on rent, has not served the Company any legal documents. However, they may do so in the future.

On May 11, 2026, the Company entered into a Settlement Agreement with the landlord for each of its headquarters facility and its warehouse facility that became effective as of May 7, 2026. The Settlement Agreement addressed the matter of delinquent rents and an expired lease. Regarding the Company's headquarters facility, the Company agreed to make immediate payment of $400 towards past due rents, and the landlord agreed to cease eviction procedures. The landlord also agreed to extend the property lease commencing September 1, 2026, to April 1, 2027, and reduce the monthly rent from $84 to $55. Regarding the warehouse facility, the Company agreed to vacate the facility by August 31, 2026 and leave the premises per agreement; in exchange, the landlord agreed to waive rents for the months of June, July, and August 2026. Each landlord reserved the right to charge for any waived rents or continue with eviction action should the Company fail to meet the requirements listed in the Settlement Agreement. The Company also may have to pay liquidated damages if it fails to vacate the properties in the event either or both landlords decide to exercise their rights for eviction.

As of May 19, 2026, the Company had not made a payment per the Settlement Agreement, and on May 19, 2026, the landlord for the Company's headquarters facility evicted the Company from that facility.

On May 22, 2026, the Company entered into a new settlement agreement under which the Company paid the landlords a combined $755 and regained access to its headquarters facility. The new settlement agreement provided for a schedule of monthly payments through April 2027 in exchange for the landlord's agreement not to seek to evict us from the headquarters facility through June 30, 2027, and the Company continued its agreement to vacate the warehouse facility by August 31, 2026, in exchange for a waiver of June, July and August 2026 rents. The Company made timely rent payments in July, August, and September 2026, and vacated the warehouse facility on August 31, 2026, in compliance with the new settlement agreement. As of September 30, 2026, the Company was delinquent in $576 of rent to its headquarters landlord and other leases which are included in accounts payable.

Effective September 30, 2020, the Company entered into a loan agreement (the "Loan Agreement") with Pinnacle Bank ("Pinnacle") which expired on September 30, 2026. The Loan Agreement, as amended, provides for a revolving credit facility under which Pinnacle may, in its sole discretion upon the Company's request, make advances to us up to $7,500, subject to certain limitations and adjustments. The Loan Agreement contains certain affirmative and negative covenants. At September 30, 2026 and December 31, 2025, the Company was not in compliance with the affirmative covenant requiring the Company to attain a minimum effective tangible net worth greater than $6,000. On March 10, 2026, the Company and Pinnacle executed the Forbearance Agreement, in which Pinnacle agreed to forbear from exercising certain rights and remedies under the Loan Documents arising from the Specified Existing Defaults for the period commencing March 10, 2026, the Effective Date, to July 31, 2026, the Forbearance Termination Date, considering the Company comply with the terms and condition set in the Forbearance Agreement and pay the full loan obligation to Pinnacle by July 31, 2026. On July 31, 2026, the Company had not paid full loan obligation to Pinnacle.

Effective July 31, 2026, Pinnacle Bank and the Company entered into a Notice of Additional Events and Defaults and Modifications to Forbearance Agreement and Loan Documents, the "Forbearance Modification Agreement", extending the Forbearance Agreement executed on March 10, 2026 to repay the full balance on the credit facility to August 31, 2026, with an automatic extension to September 30, 2026, if the Company complies to certain payment plan and the terms and conditions on the Forbearance Modification Agreement. At September 30, 2026, the Company had not paid the full balance on the credit facility and had an unpaid balance of $1,568.

As of the date of this report, the Company continues to make payments to bring down the balance on the credit facility and is working with Pinnacle Bank on new terms for a modification to the forbearance agreement. The forbearance period under the Forbearance Modification Agreement expired on September 30, 2026, and the Company did not make the scheduled paydowns or deliver the subordination agreements from CFI, Monroe and Mayers required by the Forbearance Modification Agreement. As a result, Pinnacle is no longer contractually obligated to forbear from exercising its remedies with respect to the existing Events of Default. In addition, the Company issued the Vanquish note in November 2026 without Pinnacle's consent, which may constitute an additional breach of the Loan Agreement. The Company applied a portion, but not all, of the proceeds from sales under the ELOC to the paydowns required by the Forbearance Modification Agreement. As of the date of this report, Pinnacle has not delivered a notice of acceleration or commenced enforcement action, and the Company and Pinnacle are negotiating a second modification to the Forbearance Agreement based on a draft provided by Pinnacle. There can be no assurance that the parties will enter into that modification on acceptable terms or at all. As of November 23, 2026, the outstanding balance under the line of credit was approximately $939. If the Company is unable to secure a payment extension or pay the full obligation within time satisfactory to Pinnacle Bank, Pinnacle may immediately enforce its claims, rights, liens, and security interests under the Forbearance Agreement and the Loan Documents, including but not limited to, taking possession of its collateral, or any portion thereof, and foreclosing upon its collateral, or any portion thereof, in accordance with the Loan Documents and applicable law.

The balance of the Loan Agreement at December 31, 2025 was $4,036. During 2026, the Company repaid a net of $2,468 to reduce the loan balance. At September 30, 2026, the outstanding balance under the line of credit was $1,568 which includes interest, fees and financing costs, and $422 of the Company's accounts receivable and $4,423 of the Company's inventory is held as collateral under the credit facility.

On May 1, 2026, the Company received a letter from the Nasdaq staff notifying it that the Company was not in compliance with the $2.5 million minimum stockholders' equity requirement for continued listing under Nasdaq Listing Rule 5550(b)(1), based on the approximately $0.1 million of stockholders' equity reported in its Annual Report on Form 10-K for the year ended December 31, 2025. The Company's common stock, par value $0.0001 per share ("Common Stock") continues to trade on the Nasdaq Capital Market under the symbol "POLA." On June 29, 2026, the Company received a letter from the Staff granted it an extension of time to regain compliance with the Rule. The terms of the extension are as follows: on or before October 28, 2026, it must opt for one of the two following alternatives to evidence compliance with the Rule: (A) the Company must furnish to the SEC and Nasdaq a publicly available report (e.g., a Form 8-K or Form 6-K) including: (1) a disclosure of Staff's deficiency letter and the specific deficiency(ies) cited; (2) a description of the completed transaction or event that enabled the Company to satisfy the stockholders' equity requirement for continued listing; (3) an affirmative statement that, as of the date of the report, it believes it has regained compliance with the stockholders' equity requirement based upon the specific transaction or event referenced in Step 2; and (4) a disclosure stating that Nasdaq will continue to monitor the Company's ongoing compliance with the stockholders' equity requirement and, if at the time of its next periodic report the Company does not evidence compliance, that it may be subject to delisting, or (B) the Company must furnish to the SEC and Nasdaq a publicly available report including: (1) steps 1 & 2 set forth above; (2) a balance sheet no older than 60 days with pro forma adjustments for any significant transactions or event occurring on or before the report date. The pro forma balance sheet must evidence compliance with the stockholders' equity requirement; and (3) a disclosure that the Company believes it also satisfies the stockholders' equity requirement as of the report date and that Nasdaq will continue to monitor the Company's ongoing compliance with the stockholders' equity requirement and, if at the time of its next periodic report the Company does not evidence compliance, that it may be subject to delisting. See Note 12 for subsequent events related to this topic.

During the three months ended September 30, 2026, the Company sold 1,611 shares of the Company's Series A Convertible Preferred Stock, par value $0.0001 per share (the "Series A Preferred"), having an aggregate stated value of $1,611, of which the Company received net proceeds of $1,400. In addition, the Company sold 403,947 shares of its Common Stock, $0.0001 par value, under its committed equity facility (the "ELOC") agreement with Roth Capital Partners, of which the Company received net proceeds of $641.

Furthermore, the Company's ability to secure future financing is uncertain. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing, grow and diversify its revenue, improve operational efficiency, reduce overhead and fixed costs, and to create a profitable operation. Its ability to obtain additional financing in the debt and equity capital markets is subject to several factors, including market and economic conditions, its performance and investor sentiment with respect to the Company and its industry. The Company has taken action to diversify sales to consume existing inventory, increase higher margin aftermarket parts revenue, to fund operations. In the event that the Company does not generate sufficient cash flows from operations and is unable to obtain funding, the Company will be forced to delay, reduce, or eliminate some or all of its discretionary spending, which could adversely affect the Company's business prospects, ability to meet long-term liquidity needs or ability to continue operations.

Impact of inflation

The impact of inflation and changing prices during the three and nine months ended September 30, 2026 has had modest effect on the financial condition or results of operations of the Company. Rapid changes in the global economy may cause significant spikes in inflation which may have an impact in our financial condition during 2026 and beyond. Because some of our contracts are at a fixed price, we face the risk that cost overruns or inflation may exceed, erode or eliminate our expected profit margin, or cause us to record a loss on certain projects. We are taking actions to manage the potential impacts of these matters and we will continue to assess the actual and expected impacts and the need for further action.

Basis of Presentation of Unaudited Financial Information

The unaudited condensed financial statements of the Company for the three and nine months ended September 30, 2026 and 2025 have been prepared in accordance with accounting principles generally accepted in the U.S. ("GAAP") for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Regulation S-K for scaled disclosures for smaller reporting companies. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. However, such information reflects all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary for the fair presentation of the Company's financial position and results of operations. Results shown for interim periods are not necessarily indicative of the results to be obtained for a full fiscal year. The balance sheet information as of December 31, 2025 was derived from the audited financial statements included in the Company's financial statements as of and for the years ended December 31, 2025 and 2024 contained in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission, or the SEC, on April 15, 2026. These financial statements should be read in conjunction with that report.

Estimates

The preparation of financial statements in conformity with GAAP requires 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Material estimates relate to the assumptions made in determining estimates for credit loss reserves for accounts receivable, assumptions used in valuing inventories at net realizable value, impairment testing of recorded long-term assets, the realizability of deferred tax assets and the related valuation allowance, accruals for warranty reserves, accruals for potential liabilities, assumptions made in valuing stock instruments issued for services, and assumptions used in the determination of the Company's liquidity. Actual results may differ from those estimates.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers ("ASC 606"). The underlying principle of ASC 606 is to recognize revenue to depict the transfer of goods or services to customers at the amount expected to be collected. ASC 606 creates a five-step model that requires entities to exercise judgment when considering the terms of contract(s), which includes (1) identifying the contract(s) or agreement(s) with a customer, (2) identifying the Company's performance obligations in the contract or agreement, (3) determining the transaction price, (4) allocating the transaction price to the separate performance obligations, and (5) recognizing revenue as each performance obligation is satisfied.

Substantially all of the Company's revenue is derived from product sales. Product revenue is recognized when performance obligations under the terms of a contract are satisfied, which occurs for the Company upon shipment or delivery of products or services to its customers based on written sales terms, which is also when control is transferred. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring the products or services to a customer. The Company determines whether delivery has occurred based on when title transfers and the risks and rewards of ownership have transferred to the customer, which usually occurs when the Company places the product with the customer's carrier or delivers the product to a customer's location. The Company regularly reviews its customers' financial positions to ensure that collectability is reasonably assured.

The Company also recognizes revenues from engineering services, technical support, and sale of accessories that support the Company's direct current, or DC, power systems. Revenue is recognized when transfer of control to the customer has been made and the Company's performance obligation has been fulfilled. The Company's revenue from engineering services, technical support services, and product accessories are clearly defined in each transaction with its customers and have not been significant to date.

The Company also recognizes revenues from the rental of equipment. The Company's rental revenues have not been significant to date and were $nil for the three months and nine months ended September 30, 2026 and 2025. The Company's rental contracts are fixed price contracts for fixed durations of time and include freight and delivery charges and are recognized on a straight-line basis over the rental period.

Disaggregation of Net Sales

The following table shows the Company's disaggregated net sales by product type:

	Three months ended September 30,	
	2026 (Unaudited)	2025 (Unaudited)
DC power systems	$ 426	$ 898
Engineering & Tech Support Services	47	14
Accessories	238	361
Total net sales	$ 711	$ 1,273

	Nine months ended September 30,	
	2026 (Unaudited)	2025 (Unaudited)
DC power systems	$ 2,684	$ 4,117
Engineering & Tech Support Services	92	147
Accessories	681	1,440
Total net sales	$ 3,457	$ 5,704

The following table shows the Company's disaggregated net sales by customer type:

	Three months ended September 30,	
	2026 (Unaudited)	2025 (Unaudited)
Telecom	$ 516	$ 1,172
Government/Military	124	1
Marine	30	—
Other (backup DC power to various industries)	41	100
Total net sales	$ 711	$ 1,273

	Nine months ended September 30,	
	2026 (Unaudited)	2025 (Unaudited)
Telecom	$ 3,074	$ 5,080
Government/Military	206	448
Marine	91	45
Other (backup DC power to various industries)	86	131
Total net sales	$ 3,457	$ 5,704

The following tables shows the Company's net sales by the respective geographical regions of our customers:

	Three months ended September 30,	
	2026 (Unaudited)	2025 (Unaudited)
United States	$ 669	$ 1,267
Canada	—	—
South Pacific Islands	8	6
Japan	—	—
Europe and middle East	34	—
Africa	—	—
Total net sales	$ 711	$ 1,273

	Nine months ended September 30,	
	2026 (Unaudited)	2025 (Unaudited)
United States	$ 3,074	$ 5,312
Canada	3	33
South Pacific Islands	72	33
Other Asia Pacific	8	28
Japan	—	3
Europe and Middle East	233	295
South America	67	—
Total net sales	$ 3,457	$ 5,704

For the three months ended September 30, 2026 and 2025, international sales totaled $42 and $6 respectively. For the nine months ended September 30, 2026 and 2025, international sales totaled $383 and $392 respectively.

Inventories

Inventories are stated at the lower of cost or net realizable value, with cost determined on a first-in, first-out ("FIFO") basis. The Company records adjustments to its inventory based on an estimated forecast of the inventory demand, taking into consideration, among others, inventory turnover, inventory quantities on hand, unfilled customer order quantities, forecasted demand, current prices, competitive pricing, and trends and performance of similar products. If the estimated net realizable value is determined to be less than the recorded cost of the inventory, the difference is recognized as a loss in the period in which it occurs. Once inventory has been written down, it creates a new cost basis for inventory that may not be subsequently written up. There were no write downs of inventory for the three months and nine months ended September 30, 2026. For the three and nine months ended September 30, 2025, the Company recorded a write-down of inventory of $1,967.

As of September 30, 2026 and December 31, 2025, inventories consisted of the following:

	September 30, 2026 (unaudited)	December 31, 2025
Raw materials	$ 8,267	$ 8,704
Finished goods	882	721
Total Inventories	$ 9,149	$ 9,425

Product Warranties

The Company provides limited warranties for parts and labor at no cost to its customers within a specified time period after the sale. As of December 31, 2025, the Company had a warranty reserve of $600. In March 2026, the Company adjusted the warranty reserve to $150 after conducting a reserve study of warranty expense over the previous three years. The results of the study indicate warranty expense has decreased as a result of a diminishing number of products sold with warranty over the last three years and an increase in sold products with warranty falling off the warranty period. As of September 30, 2026 and December 31, 2025, the Company had accrued a liability for warranty reserve of $150 and $600, respectively, which are included in other accrued liabilities in the accompanying condensed balance sheets. The following is a tabular reconciliation of the product warranty liability, excluding the deferred revenue related to the Company's warranty coverage:

Changes in estimates for warranties	September 30, 2026 (unaudited)	December 31, 2025
Balance at beginning of the period	$ 600	$ 600
Payments	(54)	(67)
Provision for warranties	54	67
Change in warranty reserve	(450)	—
Balance at end of the period	$ 150	$ 600

Stock-Based Compensation

The Company periodically issues stock-based compensation to officers, directors, and consultants for services rendered. Such issuances vest and expire according to terms established at the issuance date.

Stock-based payments to employees, directors, and for acquiring goods and services from nonemployees, which include grants of employee stock options, are recognized in the financial statements based on their grant date fair values in accordance with ASC 718, *Compensation-Stock Compensation*. Stock option grants to employees, which are generally time vested, are measured at the grant date fair value and depending on the conditions associated with the vesting of the award, compensation cost is recognized on a straight-line or graded basis over the vesting period. Recognition of compensation expense for non-employees is in the same period and manner as if the Company had paid cash for the services. The fair value of stock options granted is estimated using the Black-Scholes option-pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life, and future dividends. The assumptions used in the Black-Scholes option pricing model could materially affect compensation expense recorded in future periods.

Convertible Notes

The Company accounts for its convertible notes in accordance with ASC 470-20, *Debt with Conversion and Other Options*, and ASC 815-15, *Derivatives and Hedging — Embedded Derivatives*. The Company evaluates the embedded conversion feature to determine whether it is clearly and closely related to the debt host and would separately meet the definition of a derivative. Embedded conversion features that are not indexed to the Company's own stock, or that otherwise fail to meet the scope exception under ASC 815-10-15-74, are bifurcated and recorded as a derivative liability at fair value, with subsequent changes in fair value recognized in earnings each reporting period. Conversion features that are indexed to the Company's own stock and meet the conditions for equity classification are not bifurcated; such notes are further evaluated for a beneficial conversion feature under ASC 470-20, with any resulting discount recognized as a reduction to the carrying value of the notes and amortized to interest expense over the term of the notes using the effective interest method.

Financial Assets and Liabilities Measured at Fair Value

The Company uses various inputs in determining the fair value of its financial assets and liabilities. Financial assets recorded at fair value in the balance sheets are categorized by the level of objectivity associated with the inputs used to measure their fair value.

Authoritative guidance provided by the Financial Accounting Standards Board ("FASB") defines the following levels directly related to the amount of subjectivity associated with the inputs to fair valuation of these financial assets:

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs, other than the quoted prices in active markets, that is observable either directly or indirectly.

Level 3 Unobservable inputs based on the Company's assumptions.

The carrying amounts of certain financial assets and liabilities, such as cash and cash equivalents, accounts receivable and accounts payable, approximate their fair values because of the short maturity of these instruments. The carrying values of the line of credit and notes payable approximate their fair values since the interest rates on these obligations are based on prevailing market interest rates.

Segments

Under ASC 280, *Segment Reporting*, operating segments are defined as components of an enterprise where discrete financial information is available that is evaluated regularly by the chief operating decision maker ("CODM"), in deciding how to allocate resources and in assessing performance. The Company's operating segment consists of one component, and the Company's Chief Executive Officer, who is also the CODM, makes decisions and manages the Company's operations as a single operating segment.

Concentrations

Revenues. For the three months ended September 30, 2026 and 2025, sales to telecommunications customers accounted for 73% and 92% of total revenues, respectively. Sales to international customers accounted for approximately 6% and less than 1% of total revenues, respectively. The Company's largest customers during the three months ended September 30, 2026, generated 25%, 21%, and 18% of total revenues, as compared to the largest customer during the three months ended September 30, 2025, generating 63% of total net revenues. There was no other revenue from customers in excess of 10% of revenues in either period.

For the nine months ended September 30, 2026 and 2025, sales to telecommunications customers accounted for 89% and 89% of total revenues, respectively. For the nine months ended September 30, 2026 and 2025, sales to international customers accounted for 11% and 7% of total revenue, respectively. For the nine months ended September 30, 2026, the Company's largest customers generated 50% and 11% of total revenues, as compared to the largest customer during the same period in 2025 generating 68% of total revenues. There was no other revenue from customers in excess of 10% of revenues in either period.

Accounts receivable. At September 30, 2026, the largest accounts receivable accounts from the Company's customers represented 37%, 26%, and 17% of the Company's total accounts receivable. At December 31, 2025, the Company's two largest receivable accounts represented 59% and 18% of the Company's total accounts receivable, respectively. There was no other customer that accounted for more than 10% of the Company's accounts receivable as of September 30, 2026 or December 31, 2025.

Accounts payable. At September 30, 2026, accounts payable to the Company's three largest vendors represented 12%, 9% and 7%, of the Company's accounts payable. On December 31, 2025, the three largest accounts payable accounts to the Company's vendors represented 21%, 7%, and 7%, respectively.

Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding for the period. Diluted earnings per share is computed by dividing the net income applicable to common stockholders by the weighted average number of shares of common stock outstanding plus the number of additional shares of common stock that would have been outstanding if all dilutive potential shares of common stock had been issued using the treasury stock method. Potential shares of common stock are excluded from the computation when their effect is antidilutive. The dilutive effect of potentially dilutive securities is reflected in diluted net income per share if the exercise prices were lower than the average fair market value of shares of common stock during the reporting period.

The following potentially dilutive shares were excluded from the shares used to calculate diluted earnings per share as their inclusion would be anti-dilutive:

	September 30, 2026 (Unaudited)	September 30, 2025 (Unaudited)
Options	12,858	12,858
Warrants	919,972	—
Convertible notes payable	1,313,738	—
Series A Convertible Preferred Stock	2,124,074	—
Total	4,370,642	12,858

Recent Accounting Pronouncements

In November 2024, the Financial Accounting Standards Board (FASB) issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* which includes amendments that require disclosure in the notes to financial statements of specified information about certain costs and expenses, including purchases of inventory; employee compensation; and depreciation, amortization and depletion expenses for each caption on the income statement where such expenses are included. The amendments are effective for the Company's annual periods beginning January 1, 2027, with early adoption permitted, and should be applied either prospectively or retrospectively. The Company is in the process of evaluating this ASU to determine its impact on the Company's disclosures.

The Company's management has evaluated all other recently issued, but not yet effective, accounting standards and guidance that have been issued or proposed by the FASB or other standards-setting bodies through the filing date of these financial statements and does not believe the future adoption of any such pronouncements will have a material effect on the Company's financial position and results of operations.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	September 30, 2026 (Unaudited)	December 31, 2025
Production and shop equipment and machinery and fixtures	$ 3,654	$ 3,654
Vehicles	177	177
Leasehold improvements	390	390
Computer software and office equipment	291	291
Total property and equipment, cost	4,512	4,512
Less: accumulated depreciation and amortization	(4,431)	(4,384)
Property and equipment, net	81	128

Depreciation and amortization expense on property and equipment for the three months ended September 30, 2026 and 2025 was $15 and $17, respectively. During the three months ended September 30, 2026 and 2025, $15 and $16, respectively, of the depreciation expense was included in cost of sales.

Depreciation and amortization expense on property and equipment for the nine months ended September 30, 2026 and 2025 was $47 and $51, respectively. During the nine months ended September 30, 2026 and 2025, $46 and $49, respectively, of the depreciation expense was included in cost of sales.

NOTE 3 – NOTES PAYABLE, RELATED PARTY

The Company's Chief Executive Officer (the "CEO"), who is also a principal shareholder of the Company, has made loans to the Company to fund its working capital needs. As of December 31, 2025, notes payable to the CEO had an outstanding principal balance of $590 and accrued and unpaid interest of $22.

During the nine months ended September 30, 2026, the CEO loaned the Company an additional $180 in principal. The notes are unsecured and bear interest at 3.5% per annum, except for the note issued in 2026, which bears interest at 18% per annum. The notes have maturity dates ranging from September 2026 through August 2027.

In September 2026, the CEO converted $576 of outstanding principal and $39 of accrued and unpaid interest, totaling $615, into 683 shares of the Company's Series A Preferred Stock and fully vested warrants to purchase 382,276 shares of common stock. The warrants have an exercise price of $1.34 per share and a term of three years from the date of issuance (see Note 9).

As of September 30, 2026, the outstanding balance of the notes payable to the CEO, including accrued interest, was $201, which is due in August 2027.

NOTE 4 – LINE OF CREDIT

Credit Facility

Effective September 30, 2020, the Company entered into the Loan Agreement with Pinnacle. The Loan Agreement, as amended, provides for a revolving credit facility under which Pinnacle may, in its sole discretion upon the Company's request, make advances to the Company up to $7,500, subject to certain limitations and adjustments. The Loan Agreement contains certain affirmative and negative covenants.

Borrowings based on receivables bears an interest on the daily balance at a rate of 1.25% above the prime rate, but in no event less than 3.75% per annum (8.25% at September 30, 2026 and 8.0% at December 31, 2025). Interest on the portion of the daily balance consists of advances against inventory accrues interest at a rate of 2.25% above the prime rate, but in no event less than 4.75% per annum (9.25% at September 30, 2026 and 9.0% at December 31, 2025).

Pursuant to the Loan Agreement, as amended, the standards of eligible accounts receivable include AT&T accounts receivable up to 120 days of invoice date, and eligible accounts receivable with other customers have up to 90 days of invoice date. Customer accounts with eligible accounts receivable cannot exceed a concentration percentage which is a customer's total obligations to the Company as a percentage of eligible accounts receivable from all customers. The concentration percentage applicable to certain Tier-1 telecommunications customers is 75% of all eligible accounts receivable, and the concentration percentage applicable to all other customer is 25% of all eligible accounts.

At September 30, 2026 and December 31, 2025, the Company was not in compliance with the affirmative covenant requiring the Company to attain a minimum effective tangible net worth greater than $6,000. On March 10, 2026, the Company and Pinnacle executed the Forbearance Agreement, in which Pinnacle agreed to forbear from exercising certain rights and remedies under the Loan Documents arising from the Specified Existing Defaults for the period commencing March 10, 2026, the Effective Date, to July 31, 2026, the Forbearance Termination Date, considering the Company comply with the terms and condition set in the Forbearance Agreement and pay the full loan obligation to Pinnacle by July 31, 2026. On July 31, 2026, the Company had not paid full loan obligation to Pinnacle.

Effective July 31, 2026, Pinnacle Bank and the Company entered into a Notice of Additional Events and Defaults and Modifications to Forbearance Agreement and Loan Documents, the "Forbearance Modification Agreement", extending the Forbearance Agreement executed on March 10, 2026 to repay the full balance on the credit facility to August 31, 2026, with an automatic extension to September 30, 2026, if the Company complies to certain payment plan and the terms and conditions on the Forbearance Modification Agreement. At September 30, 2026, the Company had not paid the full balance on the credit facility and had an unpaid balance of $1,568.

As of the date of this report, the Company continues to make payments to bring down the balance on the credit facility and is working with Pinnacle Bank on new terms for a modification to the forbearance agreement. The forbearance period under the Forbearance Modification Agreement expired on September 30, 2026, and the Company did not make the scheduled paydowns or deliver the subordination agreements from CFI, Monroe and Mayers required by the Forbearance Modification Agreement. As a result, Pinnacle is no longer contractually obligated to forbear from exercising its remedies with respect to the existing Events of Default. In addition, the Company issued the Vanquish note in November 2026 without Pinnacle's consent, which may constitute an additional breach of the Loan Agreement. The Company applied a portion, but not all, of the proceeds from sales under the ELOC to the paydowns required by the Forbearance Modification Agreement. As of the date of this report, Pinnacle has not delivered a notice of acceleration or commenced enforcement action, and the Company and Pinnacle are negotiating a second modification to the Forbearance Agreement based on a draft provided by Pinnacle. There can be no assurance that the parties will enter into that modification on acceptable terms or at all. As of November 23, 2026, the outstanding balance under the line of credit was approximately $939. If the Company is unable to secure a payment extension or pay the full obligation within time satisfactory to Pinnacle Bank, Pinnacle may immediately enforce its claims, rights, liens, and security interests under the Forbearance Agreement and the Loan Documents, including but not limited to, taking possession of its collateral, or any portion thereof, and foreclosing upon its collateral, or any portion thereof, in accordance with the Loan Documents and applicable law.

The balance of the loan agreement at December 31, 2025 was $4,036. During 2026, the Company repaid a net of $2,468 to reduce the loan balance. At September 30, 2026, the outstanding balance under the line of credit was $1,568 which includes interest, fees and financing costs (see below), and $422 of the Company's accounts receivable and $4,423 of the Company's inventory is held as collateral under the credit facility.

The total interest expense, fees, and financing costs incurred under the Loan Agreement for the three-month periods ended September 30, 2026 and 2025 were $114 and $258, respectively. Of these amounts, $35 in 2026 and $88 in 2025 were recorded under general and administrative expenses, while $78 in 2026 and $170 in 2025 were recorded under interest expense and finance costs in the accompanying statements of operations.

The total interest expense, fees, and financing costs incurred under the Loan Agreement for the nine-month periods ended September 30, 2026 and 2025 were $393 and $497, respectively. Of these amounts, $57 in 2026 and $90 in 2025 were recorded under general and administrative expenses, while $336 in 2026 and $407 in 2025 were recorded under interest expense and finance costs in the accompanying statements of operations.

NOTE 5 – NOTES PAYABLE

On December 23 2025, the Company entered into the WWCM Loan Agreement with WWCM, pursuant to which the Company borrowed net proceeds of $399, after deducting fees as outlined in the WWCM Loan Agreement.

The loan amount is $500, with a loan origination fee of $20, providing for an advance amount of $480. The loan is to be paid in 48 weekly payments of $13 with the first six payments paid in advance and deducted from the initial funding. Net proceeds of $399 were received by the Company on December 26, 2025. The total repayment obligation of the Company is $640 resulting in an effective rate of approximately 34%. As of September 30, 2026, the outstanding loan balance was $26.

NOTE 6 – CONVERTIBLE NOTES PAYABLE

From May 21, 2026 to September 30, 2026, the Company issued five Convertible Redeemable Notes (the "Notes") with aggregate face amount of $1,411, of which $970 matures on May 21, 2027, $275 matures December 31, 2027, and $165 matures on November 26, 2026. The Notes were issued with an aggregate $125 original issue discount, resulting in net cash proceeds to the Company of $1,286. The Notes bear interest at stated rates ranging from 6% - 13% per annum.

The holders may convert all or a portion of the outstanding principal and accrued interest into shares of the Company's common stock after a holding period ranging from three to six months at conversion prices ranging from 80% -90% of the lowest daily volume-weighted average price ("VWAP") of the Company's common stock during a range of seven to ten trading days preceding conversion, subject to adjustment to 70% in the event of any trading restriction imposed by the Depositary Trust Company, a DTC "chill", on the Company's shares and to 65% in the event the Company's shares are delisted from Nasdaq, among other adjustments, including a most-favored-nation provision and standard anti-dilution protections.

The Company evaluated the conversion feature embedded in the Notes in accordance with ASC 815, Derivatives and Hedging, and determined that the conversion feature is not clearly and closely related to the debt host and does not qualify for the scope exception for contracts indexed to and settled in the Company's own stock under ASC 815-40, Contracts in Entity's Own Equity, due to the variable, discount-to-market pricing mechanism and the additional contingent adjustments described above. Accordingly, the conversion features were bifurcated from the Notes and are separately accounted for as a derivative liability, initially and subsequently measured at fair value, with changes in fair value recognized in earnings each reporting period. (See Note 7).

The derivative liability was initially recorded as a valuation discount at its estimated fair value of $1,138 on the issuance date. This amount, including the original issue discount of $125, resulted in total debt discount of $1,263, which is being amortized to interest expense over the term of the Notes using the effective interest method. During the period, the Company recognized $406 discount amortization. As of September 30, 2026, the face value of the notes payable was $1,341 with an unamortized note discount of $857 resulting in a net carrying value of the Notes of $484.

NOTE 7 – DERIVATIVE LIABILITIES

As discussed in Note 6 the Company issued convertible promissory notes to certain investors that are convertible at the option of the holder into shares of the Company's common stock subject to variable conversion features and certain other adjustments. The Company evaluated the conversion feature embedded in the Notes in accordance with ASC 815-15, *Derivatives and Hedging — Embedded Derivatives*, to determine whether it requires bifurcation and separate accounting as a derivative liability. Bifurcation is required when all of the following criteria are met: (i) the economic characteristics and risks of the embedded feature are not clearly and closely related to those of the host contract (the debt instrument); (ii) a separate instrument with the same terms as the embedded feature would meet the definition of a derivative; and (iii) the hybrid instrument is not remeasured at fair value with changes recognized in earnings.

At issuance, the Company recorded the embedded derivative liability at its estimated fair value of $1,138 determined using an options pricing model.

The resulting debt discount of $1,138 is being amortized to interest expense using the effective interest method over the term of the Notes. As of September 30, 2026, the derivative liability was remeasured at fair value of $646, resulting in a gain of $492, recorded within other income in the accompanying condensed statements of operations. The following table summarizes the key assumptions at issuance date and at remeasurement date on September 30, 2026:

Assumption	At Issuance	At September 30, 2026
Stock price	$ 1.42 to 2.05	$ 1.21
Conversion price	$ 1.00 to 1.49	$ 1.00 to 1.15
Expected volatility	113.65 to 120%	106.01%
Risk-free interest rate	3.83 to 4.15%	4.54%
Expected term (years)	1.0 to 1.5	0.16 to 1.25
Dividend yield	0%	0%

The changes in the derivative liabilities during the period are as follows: (in thousands)

Balance, January 1, 2026	$ —
Initial recognition upon issuance of convertible notes	$ 1,138
Change in fair value during the period	$ (492)
Balance, September 30, 2026	$ 646

NOTE 8 – OPERATING LEASES

The Company manufactures and assembles its DC power systems at two production facilities located in Gardena, California. The operating lease on one facility expired on February 28, 2026, and is currently occupied by the Company under a settlement agreement with a monthly rent of $55 and monthly payment of $37 to pay the balances that are in arrears. The lease for the second facility expired on August 31, 2026, and the Company occupies the facility on a month-to-month basis with rents of $35 per month. The Company rented on a month-to-month basis at $25 per month a third facility used as a warehouse for its inventory and vacated this facility during the period ended September 30, 2026.

The Company is currently delinquent in rent payments to its landlords for the headquarters and warehouse facilities. The landlord for its headquarters facility at 249 E. Gardena Blvd., Gardena, California filed a summons for eviction on October 24, 2025. On February 23, 2026, the landlord stopped the actions for eviction and continued discussions with the Company to resolve the delinquent rents and expired lease agreement. The landlord for the other warehouse for which the Company is delinquent on rent, has not served the Company any legal documents. However, they may do so in the future.

On May 11, 2026, the Company entered into a Settlement Agreement with the landlord for each of its headquarters facility and its warehouse facility that became effective as of May 7, 2026. The Settlement Agreement addressed the matter of delinquent rents and an expired lease. Regarding the Company's headquarters facility, the Company agreed to make immediate payment of $400 towards past due rents, and the landlord agreed to cease eviction procedures. The landlord also agreed to extend the property lease commencing September 1, 2026, to April 1, 2027, and reduce the monthly rent from $84 to $55. Regarding the warehouse facility, the Company agreed to vacate the facility by August 31, 2026 and leave the premises in the condition required by the relevant lease agreement; in exchange, the landlord agreed to waive rents for the months of June, July, and August 2026. Each landlord reserved the right to charge for any waived rents or continue with eviction action should the Company fail to meet the requirements listed in the Settlement Agreement. The Company also may have to pay liquidated damages if it fails to vacate the properties in the event either or both landlords decide to exercise their rights for eviction.

As of May 19, 2026, the Company had not made a payment per the Settlement Agreement, and on May 19, 2026, the landlord for the Company's headquarters facility evicted the Company from that facility.

On May 22, 2026, the Company entered into a new settlement agreement under which the Company paid the landlords a combined $755 and regained access to its headquarters facility. The new settlement agreement provided for a schedule of monthly payments through April 2027 in exchange for the landlord's agreement not to seek to evict us from the headquarters facility through June 30, 2027, and the Company continued its agreement to vacate the warehouse facility by August 31, 2026 in exchange for a waiver of June, July and August 2026 rents. The Company made timely rent payments in July, August, and September 2026, and vacated the warehouse facility on August 31, 2026, in compliance with the new settlement agreement. As of September 30, 2026, the Company was delinquent in $576 of rent to its headquarters landlord and other leases which are included in accounts payable.

The components of rent expense and supplemental cash flow information related to leases for the period are as follows:

	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Lease Cost		
Operating lease cost (of which $14 is included in general and administration and $58 is included in cost of sales in the Company's statement of operations for the nine months ended September 30, 2026, and $130 and $844 for the same period in 2025, respectively)	$ 72	$ 974
Other Information		
Weighted average remaining lease term – operating leases (in years)	—	0.7
Average discount rate – operating leases	6.13%	6.13%

The supplemental balance sheet information related to leases for the period is as follows:

	At September 30, 2026	At December 31, 2025
Operating leases		
Long-term operating right-of-use assets, net of accumulated amortization of $nil and $2,953, respectively	$ —	$ 624
Impairment charge	—	(346)
Net right-of-use asset	$ —	$ 278
Current portion of operating lease liabilities	$ —	$ 475

Rent expense (including short-term and other leases) for the three months ended September 30, 2026 and 2025 was $272 and $325, respectively. Rent expense (including short-term and other leases) for the nine months ended September 30, 2026 and 2025 was $1,122 and $974, respectively. As of September 30, 2026, the Company was delinquent in $576 of past due rents.

NOTE 9 – STOCKHOLDERS' EQUITY

Common Stock

The Company is authorized to issue 50,000,000 shares of common stock with a par value of $0.0001 per share, of which 4,393,024 shares issued and 4,390,527 shares outstanding on September 30, 2026, and 2,680,156 shares issued and 2,677,659 shares outstanding on December 31, 2025.

At September 30, 2026 and December 31, 2025, the Company had 2,497 shares of Common Stock held as treasury stock at a cost of $40.

- *Issuance of common stock to consultants for services*

During the nine months ended September 30, 2026, the Company entered into consulting agreements with third-party consultants for advisory, management, restructuring and other consulting services. As partial or full consideration for these services, the Company agreed to issue shares of its restricted common stock.

During the three and nine months ended September 30, 2026, the Company issued 133,113 and 304,638 shares of restricted common stock, respectively, to consultants as compensation for services rendered. The shares had an aggregate grant-date fair value of $197 and $495, respectively, determined from the closing price of the Company's common stock on each date of issuance. The Company recognized these amounts as consulting expense, which is included in general and administrative expenses in the accompanying condensed statements of operations for the three and nine months ended September 30, 2026.

- *Issuance of common stock under ATM facility*

On October 6, 2025, the Company entered into the Sales Agreement with ThinkEquity LLC, pursuant to which the Company may sell and issue, subject to the limitations in the Sales Agreement, shares up to $2,382 of Common Stock from time to time in the ATM Offering. Under the Sales Agreement, ThinkEquity LLC is entitled to compensation of 3.0% of the gross offering proceeds of all shares of Common Stock sold through it pursuant to the Sales Agreement.

As of December 31, 2025, the Company has sold 166,127 shares of Common Stock in the ATM Offering at a weighted-average price of $4.70 per share, for net proceeds of $757, after deducting commissions to the sales agent and other ATM Offering related expenses of $23.

On December 12, 2025, the Company filed a prospectus supplement to its registration statement on Form S-3 (File No. 333-276705) to increase the amount of shares of Common Stock that the Company may offer and sell under the Sales Agreement and applicable registration statement to an aggregate offering price of up to $2,500, which amount does not include the shares of Common Stock having an aggregate gross sales price of approximately $780 that were sold under the ATM Offering through December 11, 2025, in accordance with the limitations set forth in Instruction I.B.6 of Form S-3. In January 2026, the Company sold 962,500 shares of Common Stock in the ATM Offering at a weighted-average price of $2.60 per share, for net proceeds of $2,424, after deducting commissions to the sales agent and other ATM Offering related expenses of $75. On July 23, 2026, the Company delivered a written notice terminating the Sales Agreement to ThinkEquity LLC. The termination of the Sales Agreement was effective July 23, 2026, as acknowledged by ThinkEquity LLC. No termination fee or penalty is payable by the Company in connection with such termination.

- *Issuance of common stock under ELOC*

In July 2026, the Company entered into a Common Stock Purchase Agreement and a related Registration Rights Agreement with Roth Principal Investments, LLC ("Roth") establishing an ELOC that provides for the sale, from time to time and at the Company's option, of up to $25,000 of Common Stock, subject to the effectiveness of a resale registration statement and to volume, 4.99% beneficial-ownership and 19.99% Nasdaq exchange-cap limitations and the pricing/Base Price mechanics of that agreement. The Company filed a registration statement on Form S-1 (File No. 333-297749) covering the resale of shares issuable under the ELOC.

During the three and nine months ended September 2026, the Company sold 403,947 shares pursuant to the ELOC facility at an average price of $2.01 resulting in approximately $641 in net proceeds to the Company after deducting fees and commissions.

Preferred Stock

The Company's Certificate of Incorporation, as amended, authorizes the issuance of 5,000,000 shares of preferred stock, par value $0.0001 per share, issuable from time to time in one or more series. The Board of Directors is authorized to fix the designations, powers, preferences, rights, qualifications, limitations, and restrictions of each series without further action by stockholders.

On July 9, 2026, the Board of Directors, by unanimous written consent and pursuant to Section 151 of the Delaware General Corporation Law, designated 25,000 shares of the Company's preferred stock as Series A Preferred Stock, having a stated value of $1,000 per share (the "Stated Value"). The Company filed a Certificate of Designation of Preferences, Rights and Limitations with the Secretary of State of the State of Delaware on July 10, 2026 and filed a Certificate of Correction on July 24, 2026. The Certificate of Designation of Preferences, Rights and Limitations, as corrected, sets forth the rights, preferences, and limitations of the Series A Preferred Stock with respect to dividends, conversion, voting, redemption, and the distribution of assets upon liquidation or dissolution.

Holders of the Series A Preferred Stock are entitled to cumulative dividends at a rate of 10% per annum on the Stated Value of $1,000 per share, computed on the basis of a 360-day year of twelve 30-day months. Dividends accrue from the original issue date of each share and are calculated and recorded as accrued and unpaid dividends on the last day of each calendar month. Dividends are payable solely in kind. The Company has no right to pay, and holders have no right to receive, dividends in cash. Accrued and unpaid dividends are not settled through the issuance of additional shares of Series A Preferred Stock. Instead, they are included in the Conversion Amount upon conversion into common stock at the then-applicable Conversion Price, and are included in the amount payable upon redemption at the Company's option or upon liquidation, dissolution, or winding up of the Company.

- *Issuance of Series A Convertible Preferred Sock and warrants for cash*

On July 21, 2026, the Company issued and sold to LU2 Holdings LLC, in a private placement, 500 shares of its Series A Preferred Stock, par value $0.0001 per share (the "Series A Preferred"), having an aggregate stated value of $500, together with warrants to purchase an aggregate of 150,915 and 83,841 shares of Common Stock at an exercise price of $1.64 per share, to LU2 Holdings LLC and Mayers, respectively. The Series A Preferred has a stated value of $1,000 per share, accrues a 10% payment-in-kind dividend, is perpetual, ranks senior to our Common Stock, and is convertible into Common Stock at a price equal to 90% of the lowest VWAP over the seven consecutive trading days immediately preceding the applicable conversion date, but not less than the floor price.

On July 29, 2026, the Company entered into a series of agreements with each of CL Investment Group LLC ("CL Investment") and LU2 Holdings LLC ("LU2" and, together with CL Investment, the "Investors" and each an "Investor"), providing for the issuance and sale to the Investors of shares of the Company's Series A Preferred Stock and warrants to purchase an aggregate of 302,940 shares of the Company's common stock, par value $0.0001 per share (the "Common Stock"). By their terms, the agreements became effective, and the closing thereunder was consummated, on the date that each of the closing conditions had been satisfied, which occurred on August 5, 2026 (the

"Closing"). The transactions constitute a subsequent closing under the Company's previously designated Series A Preferred Stock, following the initial closings previously disclosed by the Company.

Pursuant to the CL Purchase Agreement, the Company agreed to issue and sell to CL Investment, and CL Investment agreed to purchase from the Company, 833 shares of Convertible Preferred (representing an aggregate Stated Value of $833) at a purchase price equal to 90% of the Stated Value, for an aggregate subscription amount of $749. Pursuant to the LU2 Purchase Agreement, the Company agreed to issue and sell to LU2, and LU2 agreed to purchase from the Company, 278 shares of Convertible Preferred (representing an aggregate Stated Value of $278) at a purchase price equal to approximately 90% of the Stated Value, for an aggregate subscription amount of $250.

The Company received net proceeds of $1,400 from the private placements of Series A Preferred Stock and Warrants to the Investors..

- *Issuance of Series A Convertible Preferred Stock Upon Conversion of Notes payable to Related party*

On September 23, 2026, the Company and the CEO entered into an agreement to extinguish the outstanding advances and accrued interest, totaling $615 (see Note 3). In exchange, the CEO received 683 shares of Series A Preferred Stock and fully vested warrants to purchase 382,276 shares of common stock, with an exercise price of $1.34 per share and a term of three years from the date of issuance. At the agreement date, the Series A Preferred Stock and the warrants had a fair value of $822.

The fair value of the Series A Preferred Stock and warrants was based on the price per share paid by unrelated investors in a separate private placement in July and August 2026.

Because the CEO is a related party and the agreement did not contain any service or performance condition, the Company accounted for the extinguishment as a capital transaction. As a result, the $207 excess of the fair value of the equity instruments issued over the $615 carrying amount of the advances and accrued interest was recorded as a deemed dividend upon conversion of related party notes.

- *Series A Preferred Stock – Dividends*

For the nine months ended September 30, 2026, dividends of $30 accrued on Series A Preferred Stock issued under the private placement and agreement with CEO for the extinguishment of certain advances. Because the dividends are cumulative and become part of the amount holders receive upon conversion, redemption, or liquidation, the Company recorded the accrued dividends as an increase to the carrying amount of the Series A Preferred Stock, with a corresponding charge to accumulated deficit. The accrued dividends were deducted in arriving at net loss attributable to common stockholders for the three and nine months ended September 30, 2026.

As of September 30, 2026, accrued and unpaid dividends on issued and outstanding Preferred Stock totaled $30. The liquidation preference of these shares, based on the Stated Value plus accrued and unpaid dividends, was $2,324.

NOTE 10 – STOCK OPTIONS AND WARRANTS

Stock Options

The following table summarizes stock options:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2025	12,858	$ 37.42
Granted	—	—
Exercised/Forfeited/Expired	—	—
Outstanding, September 30, 2026 (unaudited)	12,858	$ 37.42
Exercisable, September 30, 2026 (unaudited)	12,858	$ 37.42

Effective July 8, 2016, the Company's board of directors approved the Polar Power 2016 Omnibus Incentive Plan (the "2016 Plan"), authorizing the issuance of up to 250,627 shares of Common Stock as incentives to employees and consultants to the Company with awards limited to a maximum of 50,125 shares to any one participant in any calendar year.

At December 31, 2025, the Company had total outstanding options of 12,858, which were carried forward to September 30, 2026. These options are fully vested, exercise prices ranging from $33.88 to $39.20, and with 1,429 option shares set to expire in December 2027 and the remaining 11,429 option shares set to expire in April 2028.

The outstanding options had no intrinsic value at September 30, 2026.

On November 13, 2025, the Company's Board of Directors, at the recommendation of the compensation committee, approved the 2026 Equity Incentive Plan (the "2026 Plan"), subject to approval by its stockholders at the stockholders meeting. On December 15, 2025, at the stockholders meeting, the 2026 Plan was passed and became effective January 1, 2026. The Company has not made any grants under the 2026 Plan yet.

Warrants

The following table summarizes warrants:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2025	—	$ —
Granted	919,972	1.52
Exercised/Forfeited/Expired	—	—
Outstanding, September 30, 2026 (unaudited)	919,972	$ 1.52
Exercisable, September 30, 2026 (unaudited)	919,972	$ 1.52

A holder of a Common Stock Purchase Warrant (a "Warrant") may purchase up to the number of shares of the Company's Common Stock stated in the Warrant, at the stated exercise price, subject to the terms, exercise limitations, and conditions in the Warrant and the related Securities Purchase Agreement, provided the Warrant has not expired. A Warrant is typically valid for three years from its issuance date. The holder may exercise for cash or, if no resale registration statement is effective, on a cashless basis. Exercise is capped by a 9.99% beneficial ownership limit and by Nasdaq stockholder approval requirements. The exercise price adjusts for stock splits and dilutive issuances, subject to a floor price that varies among the warrants, and in a fundamental transaction the holder receives alternate consideration. The Warrant is transferable, subject to securities laws, and confers no stockholder rights before exercise.

The outstanding warrants had no intrinsic value at September 30, 2026.

NOTE 11. SEGMENT INFORMATION

The Company operates and manages its business as one reportable and operating segment. The Company designs, manufactures, and sells DC power systems for applications that do not have access to the utility grid (i.e., prime power and mobile applications) or have critical power needs and cannot be without power in the event of utility grid failure (i.e., back-up power applications). The measure of segment assets is reported on the balance sheet as total assets. In addition, the Company generates revenue primarily from the sale of its DC power systems, and to a lesser extent from the sale of parts and services to support its DC power systems. The Company manages the business activities as a single operating and reportable entity.

The Company's chief operating decision maker ("CODM"), Arthur D. Sams, reviews financial information presented on a company-wide basis and decides how to allocate resources based on net income (loss). Net income (loss) is used for evaluating financial performance and in establishing compensation for management.

Significant segment expenses include research and development, salaries, insurance, and stock-based compensation. Operating expenses include all remaining costs necessary to operate our business, which primarily include external professional services and other administrative expenses. The following table presents the significant segment expenses and other segment items regularly reviewed by our CODM:

	Three Months Ended September 30,	
	2026	2025
Revenue	$ 711	$ 1,273
Cost of goods sold	(1,052)	(3,533)
Compensation	(494)	(540)
Consulting and professional fees	(491)	(202)
Other cost and expenses, net	(313)	(875)
Other income (expenses), net	(269)	(208)
Net loss	$ (1,908)	$ (4,085)

	Nine Months Ended September 30,	
	2026	2025
Revenue	$ 3,457	$ 5,704
Cost of goods sold	(3,000)	(6,715)
Compensation	(1,449)	(1,619)
Consulting and professional fees	(1,301)	(692)
Other cost and expenses, net	(993)	(1,767)
Other expenses, net	(631)	(532)
Net loss	$ (3,917)	$ (5,621)

NOTE 12 – SUBSEQUENT EVENTS

Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard

On May 1, 2026, the Company received a deficiency letter from the Listing Qualifications Department of The Nasdaq Stock Market ("Nasdaq") indicating that Company was not in compliance with Nasdaq Listing Rule 5550(b)(1), which requires listed companies to maintain a minimum of US$2,500,000 in stockholders' equity for continued listing on the Nasdaq Capital Market (the "Rule"). On June 29, 2026, Nasdaq notified the Company of its determination to grant an extension of time to regain compliance with the Rule. The terms of the extension required that on or before October 28, 2026, the Company must file a public report demonstrating compliance with the Rule, including disclosure of the transaction or event that led to compliance.

On October 23, 2026, the Company filed a Form 8-K announcing that the Company believes its preliminary pro forma stockholders' equity as of October 23, 2026, is approximately $2.9 million, which exceeds the minimum equity requirement under Nasdaq Listing Rule 5550(b)(1), and believes it has regained compliance with the stockholders' equity requirement based upon the specific transactions that affected its stockholders' equity after the quarter ended September 30, 2026.

On November 3, 2026, the Company received a letter from the Staff of the Listing Qualifications Department of The Nasdaq Stock Market ("Nasdaq") indicating that based on the Company's Form 8-K, dated October 23, 2026, the Staff has determined that the Company complies with the Listing Rule 5550(b)(1). However, as noted in the Staff's letter dated June 29, 2026, if the Company fails to evidence compliance upon filing its next periodic report it may be subject to delisting. At that time, the Staff will provide written notification to the Company, which may then appeal Staff's determination to a Hearings Panel.

Transactions affecting stockholders' equity after September 30, 2026

Convertible Note Financings

On May 21, 2026, the Company issued a 6% convertible redeemable note to Monroe Street Capital Partners, LP ("Monroe") in the aggregate principal amount of $371, for which we received net proceeds of approximately $307. In October and November 2026, up to the date of this report, Monroe converted an aggregate of $269 from the principal and $7 in fees into the Company's Common Stock, $0.0001 par value, at an average share price of $0.3616. [Note to Company: Monroe submitted an additional notice of conversion on or about November [__], 2026. Please confirm whether those shares were issued before the date of this report and, if so, update the amounts in this paragraph and the pro forma.]

On June 30, 2026, the Company issued a 10% convertible redeemable note to Mayers Ventures LLC ("Mayers") in the aggregate principal amount of $275, for which we received net proceeds of approximately $250 (the "Note"). On September 2, 2026, Mayers assigned the note over to Mandragola Ltd. ("Mandragola"). In October 2026, Mandragola converted the Note into shares of Series A Preferred Stock and subsequently converted Series A Preferred Stock into 575,726 shares of Common Stock, $0.0001 par value, which the Company issued on November 2, 2026 at a conversion price of $0.42 per share. The number of shares of Common Stock issued was limited by the 9.99% beneficial ownership limitation in the applicable securities purchase agreement, and Mandragola continues to hold shares of Series A Preferred Stock.

On August 28, 2026, the Company issued and sold two convertible promissory notes, in an aggregate principal amount of $165 to CL Investment and LU2 for aggregate consideration of $150. On September 14, 2026, the Company made a combined payment in the amount of $30 as repayment towards the two convertible notes. On October 14, 2026, the aggregate amount outstanding under both convertible promissory notes was $135, and on that date each of LU2 and CL Investment converted its convertible promissory note to 77 shares of Series A Preferred Stock.

Between 2023 and April 2026, the Company's Chief Executive Officer made seven loans to the Company for an aggregate principal amount of $770 as described in Note 3 – Notes Payable, Related Party. In September 2026, the Company's Chief Executive Officer converted $615 of the outstanding principal and interest of the loans to 683 shares of the Company's Series A Preferred Stock. On October 22, 2026, under an Exchange Agreement approved by the Audit Committee of the Board of Directors and in reliance on Section 3(a)(9) of the Securities Act, the Company's Chief Executive Officer exchanged $161 of the $172 of outstanding notes (approximately $11 remains outstanding) for 202 shares of the Company's Series A Preferred Stock and a warrant to purchase 100,798 shares of the Company's common stock at an exercise price of $0.61 per share, expiring October 22, 2029. At the Chief Executive Officer's direction, the Series A Preferred Stock and the warrant were issued directly to AstraBridge Inc. in satisfaction of a note payable owed by the Chief Executive Officer to AstraBridge Inc.

Series A Preferred Stock

On October 13, 2026, we issued and sold to LU2, in a private placement, 417 shares of our Series A Preferred Stock, par value $0.0001 per share (the "Series A Preferred"), having an aggregate stated value of $417, together with warrants to purchase an aggregate of 188,636 shares of common stock at an exercise price of $1.10 per share. The Series A Preferred Stock has a stated value of $1,000 per share, accrues a 10% payment-in-kind dividend, is perpetual, ranks senior to our common stock, and is convertible into common stock at a price equal to 90% of the lowest VWAP over the seven consecutive trading days immediately preceding the applicable conversion date, but not less than the floor price.

On October 19, 2026, we issued and sold to LU2, in a private placement, 278 shares of our Series A Preferred Stock, having an aggregate stated value of $278, together with warrants to purchase an aggregate of 165,476 shares of common stock at an exercise price of $0.84 per share. The Series A Preferred has a stated value of $1,000 per share, accrues a 10% payment-in-kind dividend, is perpetual, ranks senior to our common stock, and is convertible into common stock at a price equal to 90% of the lowest VWAP over the seven consecutive trading days immediately preceding the applicable conversion date, but not less than the floor price.

ELOC Financing with Roth

On July 27, 2026, the Company entered into a Common Stock Purchase Agreement and a related Registration Rights Agreement with Roth Principal Investments ("Roth"). Under the Purchase Agreement, the Company has the right, but not the obligation, to sell to Roth up to $25,000 in aggregate gross purchase price of common stock. As of the date of this report, the Company has issued 776,148 shares of common stock to Roth for aggregate net proceeds to the Company of $989 after deducting fees and other amounts retained by Roth, of which 372,201 shares were sold between October 1, 2026, and the date of this report for net proceeds of $348 at an average share price of $1.07.

As a result of the equity transactions listed above, the Company's stockholders' equity increased by $1,814, consisting of $269 from the Monroe conversions, $275 from the Mandragola conversions, $136 from the CL Investment and LU2 note conversions, $161 from the Chief Executive Officer note exchange, $375 from the October 13, 2026 sale of Series A Preferred Stock, $250 from the October 19, 2026 sale of Series A Preferred Stock, and $348 from sales under the ELOC between October 1, 2026 and the date of this report. These transactions are not reflected in the condensed balance sheet as of September 30, 2026. See "Nasdaq Listing Compliance" in Part I, Item 2 for unaudited pro forma information.

Other transactions after September 30, 2026

Vanquish Financing

On November 5, 2026, the Company entered into a Securities Purchase Agreement with Vanquish Funding Group Inc. ("Vanquish") and issued to Vanquish a promissory note in the principal amount of $353 (including an original issue discount of $46) for a purchase price of $307. The Company received net proceeds of approximately $300 on November 9, 2026, after payment of $7 of Vanquish's expenses. The note carries a one-time interest charge of 12% ($42), for a total repayment amount of $395, payable in five installments from April 30, 2027 through August 30, 2027 (a first installment of $198, followed by four installments of $49). The note matures on August 30, 2027. The note is convertible into Common Stock only after an Event of Default, at 75% of the lowest trading price during the 10 trading days before conversion, subject to a 4.99% beneficial ownership limitation. Upon an Event of Default, the note becomes payable at 150% of the amount then due (200% in certain cases) and bears default interest at 22% per year. A default under any other agreement between the Company and Vanquish is also an Event of Default under the note. The Company did not obtain the consent of Pinnacle Bank before issuing the note.

CFI Note Amendment and Conversions

On November 16, 2026, the Company and CFI Capital LLC ("CFI") entered into Amendment No. 1 to the 6% convertible redeemable note issued to CFI on May 21, 2026 in the principal amount of $600, permitting CFI to convert the note at any time. On November 16 and 17, 2026, CFI delivered three notices of conversion, converting an aggregate of $240 of principal, plus $7 of accrued interest and $3 of fees, into an aggregate of 1,058,623 shares of Common Stock at a conversion price of $0.23624 per share. Following these conversions, $360 of principal remains outstanding under the CFI note. As a result of these conversions, the Company's stockholders' equity increased by approximately $250.

LU2 Conversion

On November 10, 2026, LU2 converted 150 shares of Series A Preferred, plus accrued dividends, into 455,882 shares of Common Stock at the floor price of $0.34 per share. Following this conversion, 350 shares of Series A Preferred held by LU2 remain outstanding. This conversion had no effect on total stockholders' equity.

ITEM 2. Management's Discussion And Analysis Of Financial Condition And Results Of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled "Risk Factors" and elsewhere in this report. Our historical results are not necessarily indicative of the results to be expected for any future period, and results for any interim period are not necessarily indicative of the results to be expected for the full year.

All dollar amounts are presented in thousands, except share and per-share data and where otherwise noted. Share and per share data have been retroactively adjusted to reflect the decreased number of shares resulting from a 1 for 7 reverse stock split which took effect on November 18, 2024.

Overview

We design, manufacture, and sell DC power generators, renewable energy and cooling systems for applications primarily in the telecommunications market and, to a lesser extent, in other markets, including military, electric vehicle charging, marine and industrial. We are continuously diversifying our customer base and are selling our products into non-telecommunication markets and applications at an increasing rate.

Within the various markets we service, our DC power systems provide reliable and low-cost DC power to service applications that do not have access to the utility grid (i.e., prime power applications and mobile applications) or have critical power needs and cannot be without power in the event of utility grid failure (i.e., back-up power applications) or charge batteries of various chemistries to be used in electric vehicle or renewable storage applications.

Serving these various markets, we offer the following configurations of our DC power systems, with output power ranging from 5 kW to 50 kW:

- ***Base power systems*.** These stationary systems integrate a DC generator with automated controls and remote monitoring, contained within an environmentally regulated enclosure.
- ***Hybrid power systems*.** These systems incorporate lithium-ion batteries (or other advanced battery chemistries) storage and our standard DC power systems to provide power in both bad and off-grid applications.
- ***DC solar hybrid power systems*.** These stationary systems incorporate photovoltaic and other sources of renewable energy into our DC hybrid power systems.
- ***Mobile power systems.*** These are very light weight and compact power systems used for EV charging, robotics, communications and security.

Our DC power systems are available in diesel, natural gas, LPG / propane and renewable formats, with diesel, natural gas and propane gas being the predominate formats.

During the three months ended September 30, 2026 and 2025, 73% and 92%, respectively, of our total net sales were within the telecommunications market. During the three months ended September 30, 2026 and 2025, sales to international customers accounted for less approximately 6% and less than 1% of total net sales, respectively; sales to military customers accounted for 17% and nil% of total net sales, respectively; and sales to other customers accounted for 10% and 8% of total net sales, respectively.

During the nine months ended September 30, 2026 and 2025, 89% and 89%, respectively, of our total net sales were within the telecommunications market. During the nine months ended September 30, 2026 and 2025, sales to international customers accounted for 11% and 7% of total net sales, respectively; sales to military customers accounted for 6% and 8% of total net sales, respectively; and sales to other customers accounted for 5% and 3% of total net sales, respectively.

During 2024, we launched our prime power DC generators incorporating the Toyota 1KS engines optimized for propane, natural gas, and extremely long operational life. We believe that with the increasing installation restrictions on small diesel engines along with their limited availability due to stringent EPA regulations will force a change to natural gas and propane (LPG) generators. LPG and natural gas are lower in cost than diesel fuel in many areas throughout the world. Our new LPG and natural gas generators will provide strong opportunities for growth and diversification in line with our long-term plan.

At the international level, we have several telecommunications customers in the south pacific region purchasing our DC generators to develop the telecommunications infrastructure in this region. We believe the implementation and ongoing development of 5G networks along with programs to develop the telecommunications infrastructure in rural and underdeveloped countries will continue to fuel our growth in the telecommunications market over the next five to ten years.

We are expanding our mobile offerings by upgrading our mobile CHAdeMO EV chargers to the universal combined charging system standard to reach the mobile EV charging market. Mobile EV chargers are used for emergency roadside service providing a fast-charging solution for EVs that have run out of charge before reaching a stationary charging facility. During the second half of 2024, we successfully tested our demonstrator model on several platforms and made appropriate improvements and changes. We believe this configuration of remote mobile electric vehicle charger is just an initial model and based on power and fuel needs will result in various additional configurations.

We also continue to market our DC generators for the military, advanced mobility and marine markets as part of our ongoing customer diversification strategy. The military's increasing use of robotics, drones, and computerization in the field is driving the demand for battery charging with DC generators. Military sales are advantageous because of their long-term contracts and they tend to cover the cost of product development.

We expect that opportunities in the bad-grid (i.e., areas where wireless towers are connected to an electrical grid that loses power for more than eight hours), and off-grid (i.e., areas where wireless towers are not connected to an electrical grid) applications, which include telecommunications towers, commercial and residential backup power, electric vehicle charging, "mini-grid" and various other power applications, will help to expand the market for our natural gas/LPG (propane) product lines domestically and internationally. In 2024, we demonstrated a microgrid product that can provide 24/7 electric power to a commercial facility. This project was funded by United Nations High Commissioner for Refugees ("UNHCR"), a United Nations organization. The product included a DC generator, battery storage, AC inverter, solar charge controller and remote monitoring in a single container which can be delivered to any remote location to provide power. We believe this product in its current configuration can serve mid-level micro grid needs in residential and commercial areas. We plan to develop new configurations of DC power system, battery storage and solar products to optimize the match between our solutions and various application needs.

Effects of Inflation

The impact of inflation and rapidly changing prices has not impacted our operations during the three and nine months ended September 30, 2026. Rapid changes in the global economy may cause significant spikes in inflation which may have an impact in our financial condition during 2026 and beyond. Very small portion of our sales is a result of fixed contracts thereby resulting in negligible impact on our gross profits.

Recent Business Events

Our sales backlog as of September 30, 2026 was $3,502, of which our telecommunications customers accounted for 64%, customers in military markets accounted for 34%, and customers in the marine market accounted for 2%.

We believe the majority of our sales backlog will be shipped within the next twelve months.

On July 27, 2026, the Company entered into a Common Stock Purchase Agreement and a related Registration Rights Agreement with an affiliate of Roth Capital Partners establishing a committed equity facility (the "ELOC") that provides for the sale, from time to time and at the Company's option, of up to $25,000 of Common Stock, subject to the effectiveness of a resale registration statement and to volume, 4.99% beneficial-ownership and 19.99% Nasdaq exchange-cap limitations and the pricing/Base Price mechanics of that agreement. The Company filed a registration statement on Form S-1 (File No. 333-297749) covering the resale of shares issuable under the ELOC.

As of November 23, 2026, the Company sold 776,148 Shares pursuant to the ELOC agreement at an average price per share of approximately $1.61 resulting in approximately $989 in net proceeds to us after deducting fees and commissions.

Critical Accounting Policies and Estimates

The preparation of the Company's financial statements in conformity with generally accepted accounting principles in the United States ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Some of those judgments can be subjective and complex, and therefore, actual results could differ materially from those estimates under different assumptions or conditions. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates. Significant estimates include those related to assumptions used in reserves for uncollectible receivables, inventory reserves and returns, impairment analysis of long-term assets, valuation allowance on deferred tax assets, income tax accruals, accruals for potential liabilities and warrant reserves and assumptions made in valuing equity instruments issued for services. There were no changes to our critical accounting policies described in the financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, that impacted our condensed financial statements and related notes included herein.

Impact of New Accounting Pronouncements

See "Note 1 – Organization and Summary of Significant Accounting Policies – Recent Accounting Pronouncements" of the Notes to our condensed financial statements.

Financial Performance Summary and Outlook

Our net sales for the three months ended September 30, 2026 were $711, which represents a 44% decrease in net sales as compared to $1,273 for the three months ended September 30, 2025. Our net sales for the nine months ended September 30, 2026 were $3,457, which represents a 39% decrease in net sales as compared to $5,704 for the same period in 2025.

We experienced delays sourcing components and third-party services which affected our production during the three months and nine months ending September 30, 2026.

During the next quarter in 2026, we plan to increase our inventory of key components used in the productions of our power systems. We also plan to hire sales and marketing staff to continue to market our products globally and expand our customer base in all market segments. We also plan to continue to be proactive in managing our operations and mitigate the financial impacts of higher costs, supply chain issues, and geopolitical factors.

See "Risk Factors" commencing on page 25 of this Quarterly Report on Form 10-Q for additional considerations.

Results of Operations

The tables presented below, which compare our results of operations from one period to another, present the results for each period, the change in those results from one period to another in both dollars and percentage change, and the results for each period as a percentage of net revenues. The columns present the following:

- The first two data columns in each table show the absolute results for each period presented.
- The columns entitled "Dollar Variance" and "Percentage Variance" shows the change in results, both in dollars and percentages. These two columns show favorable changes as a positive and unfavorable changes as negative. For example, when our net revenues increase from one period to the next, that change is shown as a positive number in both columns. Conversely, when expenses increase from one period to the next, that change is shown as a negative in both columns.
- The last two columns in each table show the results for each period as a percentage of net revenues.

Three Months Ended September 30, 2026 Compared to the Three Months Ended September 30, 2025

	Three Months Ended September 30,		Dollar Variance Favorable (Unfavorable)	Percentage Variance Favorable (Unfavorable)	Results as a Percentage of Net Sales for the Period Ended September 30,	
	2026 (unaudited)	2025 (unaudited)			2026	2025
Net sales	$ 711	$ 1,273	$ (562)	(44)%	100.0%	100.0%
Cost of sales (includes inventory write-downs of $nil, and $1,967, respectively)	1,052	3,533	2,481	70%	148.0%	277.5%
Gross loss	(341)	(2,260)	1,919	85%	(48.0)%	(177.5)%
Sales and marketing expenses	127	198	71	36%	17.9%	15.6%
Research and development expenses	175	157	(18)	(11)%	24.6%	12.3%
General and Administrative expenses	996	807	(189)	(23)%	140.1%	63.4%
Impairment of right-of-use asset and lease deposits	—	455	455	100%	—%	35.7%
Total operating expenses	1,298	1,617	319	20%	182.6%	127.0%
Income (loss) from operations	(1,639)	(3,877)	2,238	58%	(230.5)%	(304.6)%
Interest and finance costs	(474)	(208)	(266)	(128)%	(66.7)%	(16.3)%
Change in derivative liability	205	—	205	100%	28.8%	—%
Net loss	$ (1,908)	$ (4,085)	$ 2,177	53%	(268.4)%	(320.9)%
PIK dividends on Series A Preferred Stock	(30)	—	(30)	(100)%	(4.2)%	—
Deemed dividend on conversion of notes payable-related-party	(207)	—	(207)	(100)%	(29.1)%	—
Net loss attributable to common stockholders	(2,145)	(4,085)	1,940	47%	(301.7)%	(320.9)%

Net Sales. Net sales decreased $562, or 44%, to $711 for the three months ended September 30, 2026, as compared to $1,273 for the same period in 2025. The decrease in sales was primarily attributed to a shortage of components in the production of our DC power systems.

For the three months ended September 30, 2026, sales to our largest customers in the U.S. accounted for 25%, 21%, and 18% of our total net sales. For the same period in 2025, 63%% of our total net sales were generated from our largest customer in the U.S. There was no other revenue from customers in excess of 10% of total net sales in either period.

Net sales to customers in the U.S. accounted for 94% of our total net sales for the three months ended September 30, 2026, as compared to more than 99% for the same period in 2025. Our international sales represented 6% of our net sales for the three months ended September 30, 2026, as compared to less than 1% in international sales in the same period in 2025.

Cost of Sales. Cost of sales during the three months ended September 30, 2026 decreased by $2,481or 70%, to $1,052, as compared to $3,533 during the same period in 2025. Cost of sales as a percentage of net sales during the three months ended September 30, 2026 decreased to 148.0% as compared to 277.5% in the same period in 2025. Cost of sales includes inventory write-downs of $nil in 2026, and of $1,967 in 2025, to adjust inventory to net realizable value.

Gross Loss. We had a gross loss of $341 for the three months ended September 30, 2026, which is a decrease in gross loss of $1,919 or 85%, as compared to gross loss of $2,260 during the same period in 2025. The decrease in gross loss for the three months ended September 30, 2026 was primarily a result of an increase in factory overhead absorption and underutilization of the factory. Our gross loss as a percentage of net sales was (48)% for the quarter ended September 30, 2026, as compared to a gross loss as a percentage of net sales of (177.5)% in the same period in 2025.

Sales and Marketing Expenses. During the three months ended September 30, 2026, sales and marketing expenses decreased by $71 or 36%, to $127, as compared to $198 during the same period in 2025. The decrease was attributable to a decrease in sales support staff and travel related expenses during the quarter as compared to the same period in 2025.

Research and Development Expenses. During the three months ended September 30, 2026, research and development expenses increased by $18, or 11%, to $175, as compared to $157 during the same period in 2025. The increase was primarily due to an increase in research and development consulting services during the three months ended September 30, 2026 as compared to the same period in 2025.

General and Administrative Expenses. General and administrative expenses increased by $189, or 23%, to $996 during the three months ended September 30, 2026, as compared to $807 during same period in 2025. The increase in general and administrative expenses during the three months ended September 30, 2026 was primarily due to an increase consulting services during the period.

Impairment of right-of-use assets and lease deposits. We recorded an impairment charge of $nil during the three months ended September 30, 2026, and $455 during the three months ended September 30, 2025, of which $347 was related to our lease right-of-use asset and $108 was related to deposits for leases.

Interest and Finance Costs. Interest expense for the three months ended September 30, 2026 was $474, as compared to $208 during the same period in 2025. The increase in interest expense is primarily due to convertible note debt discount amortization.

Net Loss. As a result of the factors identified above, we reported net loss of $1,908, and net loss attributable to common stockholders of $2,145, or $(0.53) per basic and diluted share for the three months ended September 30, 2026, as compared to net loss of $4,085, or $(1.63) per basic and diluted share, for the same period in 2025.

Nine Months Ended September 30, 2026 Compared to the Nine Months Ended September 30, 2025

	Nine Months Ended September 30,		Dollar Variance	Percentage Variance	Results as a Percentage of Net Sales for the Period Ended September 30,	
	2026 (unaudited)	2025 (unaudited)	Favorable (Unfavorable)	Favorable (Unfavorable)	2026	2025
Net sales	$ 3,457	$ 5,704	$ (2,247)	(39)%	100.0%	100.0%
Cost of sales	3,000	6,715	3,715	55%	86.8%	117.7%
Gross profit (loss)	457	(1,011)	1,468	145%	13.2%	(17.7)%
Sales and marketing expenses	412	642	230	36%	11.9%	11.3%
Research and development expenses	472	463	(9)	(2)%	13.7%	8.1%
General and Administrative expenses	2,859	2,518	(341)	(14)%	82.7%	44.1%
Impairment of right-of-use asset and lease deposits	—	455	455	100%	—%	8.0%
Total operating expenses	3,743	4,078	335	8%	108.3%	71.5%
Loss from operations	(3,286)	(5,089)	1,803	35%	(95.1)%	(89.2)%
Interest and finance costs	(1,124)	(543)	(581)	(107)%	(32.5)%	(9.5)%
Other income	—	11	(11)	(100)%	—%	0.2%
Change in derivative liabilities	493	—	493	100%	14.3%	—%
Net loss	$ (3,917)	$ (5,621)	$ 1,704	30%	(113.3)%	(98.5)%
PIK dividends on Series A Preferred Stock	(30)	—	(30)	(100)%	(0.9)%	—
Deemed distribution upon conversion of notes payable-related-party	(207)	—	(207)	(100)%	(6.0)%	—
Net loss attributable to common stockholders	(4,154)	(5,621)	1,467	26%	(120.2)%	(98.5)%

Net Sales. Net sales decreased $2,247, or 39%, to $3,457 for the nine months ended September 30, 2026, as compared to $5,704 for the same period in 2025. The decrease in sales was primarily attributed to a decrease in shipments of our DC power systems during the period ended September 30, 2026, due to parts shortages affecting production on our DC power systems.

For the nine months ended September 30, 2026, sales to our largest telecommunication customers in the U.S. accounted for 50% and 11% of our total net sales. For the nine months ended September 30, 2025, sales to our largest telecommunication customer in the U.S. accounted for 68% of our total net sales. There was no other revenue from customers in excess of 10% of total net sales in either period.

Net sales to customers in the U.S. accounted for 89% of our total net sales for the nine months ended September 30, 2026, as compared to 93% for the same period in 2025. Our international sales represented 11% of our net sales for the nine months ended September 30, 2026, as compared to 7% in international sales in the same period in 2025.

Cost of Sales. Cost of sales during the nine months ended September 30, 2026 decreased by $3,715, or 55%, to $3,000, as compared to $6,715 during the same period in 2025. Cost of sales as a percentage of net sales during the nine months ended September 30, 2026 decreased to 86.8%, as compared to 117.7% in the same period in 2025. Cost of sales includes inventory write-downs of $nil in 2026, and $1,967 in 2025, to adjust inventory to net realizable value.

Gross Profit (Loss). During the nine months ended September 30, 2026, we had a gross profit of $457, compared to gross loss of $1,011 during the same period in 2025. Our gross profit as a percentage of net sales was 13.2% for the nine months ended September 30, 2026, as compared to gross loss as a percentage of net sales of (117.7)% in the same period in 2025.

Sales and Marketing Expenses. During the nine months ended September 30, 2026, sales and marketing expenses decreased by $230, or 36%, to $412, as compared to $642 during the same period in 2025. The decrease was attributable to a decrease in sales support staff and travel related expenses. We plan to expand our marketing efforts by adding staff and product demonstrations to support our diversification strategy and expand our customer base in all market segments.

Research and Development Expenses. During the nine months ended September 30, 2026, research and development expenses increased by $9, or 2%, to $472 as compared to $463 during the same period in 2025. The increase was primarily due to a slight increase in research and development consulting services during the nine months ended September 30, 2026, as compared to the same period in 2025.

General and Administrative Expenses. General and administrative expenses increased by $341, or 14%, to $2,859 during the nine months ended September 30, 2026, as compared to $2,518 during same period in 2025. The increase in general and administrative expenses during the nine months ended September 30, 2026 was primarily due to an increase in business consulting services.

Impairment of right-of-use assets and lease deposits. We recorded an impairment charge of $nil for the nine months ended September 30, 2026, and $455 for the nine months ended September 30, 2025, of which $347 was related to our lease right-of-use asset and $108 was related to deposits for leases.

Interest and Finance Costs. Interest expense for the nine months ended September 30, 2026 was $1,124, as compared to $543 during the same period in 2025. The increase in interest expense is primarily due to convertible note debt discount amortization on convertible promissory notes secured between May and September of 2026.

Net Loss. For the nine months ended September 30, 2026, we incurred net loss of $3,917, and net loss attributable to common stockholders of $4,154, or $(1.11) per basic and diluted share, as compared to net loss of $5,621, or $(2.24) per basic and diluted share for the nine months ended September 30, 2025.

Liquidity and Capital Resources

Going concern

The accompanying financial statements have been prepared under the assumption that the Company will continue as a going concern. In accordance with Accounting Standards Codification ("ASC") 205-40, *Going Concern*, the Company's management has evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date the accompanying financial statements were issued. For the three and nine months ending September 30, 2026, the Company recorded a net loss of $1,908, and $3,917, respectively, and used cash in operations of $3,198. In addition, our independent registered public accounting firm, in its audit report to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025, expressed substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Furthermore, the Company's ability to secure future financing is uncertain. The Company's ability to continue as a going concern is dependent upon its ability to obtain additional financing, grow and diversify our revenue, improve operational efficiency, reduce overhead and fixed costs, and to create a profitable operation. Its ability to obtain additional financing in the debt and equity capital markets is subject to several factors, including market and economic conditions, its performance and investor sentiment with respect to the Company and its industry. The Company has taken action to diversify sales to consume existing inventory, increase higher margin aftermarket parts revenue, to fund operations. In the event that the Company does not generate sufficient cash flows from operations and is unable to obtain funding, the Company will be forced to delay, reduce, or eliminate some or all of its discretionary spending, which could adversely affect the Company's business prospects, ability to meet long-term liquidity needs or ability to continue operations.

Sources of Liquidity

During the nine months ended September 30, 2026, we funded our operations primarily from debt and equity financing. As of September 30, 2026, we had working capital of $1,763, as compared to working capital of $(262) at December 31, 2025. This $2,025 increase in working capital is primarily attributable to net proceeds from financing activities, including $641 from sales under the ELOC and $1,400 from the issuance of Series A Preferred Stock, together with net repayments of $2,468 under the line of credit. Cash and cash equivalents decreased by $184, resulting from net cash of $3,198 used in operating activities, net cash of $nil used in investing activities, and net cash of $3,014 provided by financing activities.

On September 30, 2026 and December 31, 2025, our net trade receivables totaled $487 and $330, respectively. On September 30, 2026, $180 (37%), $124 (26%), and $81 (17%) represented the three largest open customer account balances, while $196 (59%) and $58 (18%) represented our two largest open customer account balances on December 31, 2025.

Our available capital resources on September 30, 2026 consisted primarily of $16 in cash and cash equivalents, as compared to $200 as of December 31, 2025. We expect our future capital resources will consist primarily of cash on hand, cash generated by operations, if any, and future debt or equity financing, if any.

Nasdaq Listing Compliance

On May 1, 2026, Nasdaq notified us that we did not comply with the $2.5 million minimum stockholders' equity requirement of Nasdaq Listing Rule 5550(b)(1). On June 29, 2026, Nasdaq granted us an extension, and on October 23, 2026, we filed a Current Report on Form 8-K reporting the transactions that we believe restored compliance. On November 3, 2026, Nasdaq Staff notified us that, based on that Form 8-K, we comply with Listing Rule 5550(b)(1), but that we may be subject to delisting if we fail to evidence compliance upon filing this report.

Our stockholders' equity at September 30, 2026 was $1,844. After giving effect to the equity transactions completed after September 30, 2026 described below, totaling approximately $1,814, as if they had occurred on September 30, 2026, our unaudited pro forma stockholders' equity at September 30, 2026 would have been approximately $3,658, as shown in the unaudited pro forma condensed balance sheet below.

UNAUDITED PRO FORMA CONDENSED BALANCE SHEET

Purpose. The unaudited pro forma balance sheet below as of September 30, 2026 reflects the effect of the transactions described above as if they have occurred as of September 30, 2026.

	September 30, 2026 Historical (Unaudited)	September 30, 2026 Adjustments (Unaudited)	Pro Forma
ASSETS			
Current assets			
Cash and cash equivalents	$ 16	$	$ 989
Cash received for Shares (derived; see Note 5)		375	
Cash received for Shares (derived; see Note 6)		250	
Cash received for Shares (derived; see Note 7)		348	
Accounts receivable, net	487	—	487
Inventories, net	9,149	—	9,149
Prepaid expenses	110	—	110
Total current assets	9,762	973	10,735
Other assets:			
Operating lease right-of-use assets	—	—	—
Property and equipment, net	81	—	81
Deposits	—	—	—
Total assets	$ 9,843	$ 973	$ 10,816
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Accounts payable	$ 2,546	$ —	$ 2,546
Customer deposits	1,147	—	1,147
Accrued liabilities and other current liabilities	1,381	—	1,381
Line of credit	1,568	—	1,568
Notes payable-related party	201		40
Debt converted to Preferred Shares (derived; see Note 4)		(161)	
Notes payable, current	26	—	26
Convertible notes payable, net of discount	484		206
Debt converted to Shares (derived; see Note 1, 2, 3)		(278)	
Derivative liabilities	646		244
Note converted to shares (derived; see Note 1, 2, 3)		(402)	
Operating lease liabilities	—	—	—
Total liabilities	7,999	(841)	7,158
Commitments and Contingencies	-		-
Stockholders' Equity			
Preferred stock, $0.0001 par value	30	—	30
Common stock, $0.0001 par value	—	—	—
Additional paid-in capital	45,477		47,291
Additional paid-in capital (derived; see Note 1)		269	
Additional paid-in capital (derived; see Note 2)		275	
Additional paid-in capital (derived; see Note 3)		136	
Additional paid-in capital (derived; see Note 4)		161	
Additional paid-in capital (derived; see Note 5)		375	
Additional paid-in capital (derived; see Note 6)		250	
Additional paid-in capital (derived; see Note 7)		348	
Accumulated deficit	(43,623)	—	(43,623)
Treasury Stock, at cost (2,497 shares)	(40)	—	(40)
Total stockholders' equity	1,844	1,814	3,658
Total liabilities and stockholders' equity	$ 9,843	$ 973	$ 10,816

Notes to Unaudited Pro Forma Condensed Financial Information

Basis of presentation. The historical column reflects the Company's financial position as of September 30, 2026, based on management's month-end closing information and adjusting entries. The pro forma adjustment column reflects only the significant post-September 30 transactions described below, as if they had occurred on September 30, 2026. The pro forma information does not reflect the Company's results of operations or any other changes in its financial position after September 30, 2026. The information is unaudited and has been prepared for the limited purpose of demonstrating the effect of those transactions on stockholders' equity.

Note 1 - On May 21, 2026, the Company issued a 6% convertible redeemable note to Monroe Street Capital Partners, LP ("Monroe") in the aggregate principal amount of $371, for which we received net proceeds of approximately $307. In October and November 2026, up to the date of this report, Monroe converted an aggregate of $269 from the principal and $7 in fees into the Company's Common Stock, $0.0001 par value, at an average share price of $0.3616.

Note 2 - On June 30, 2026, the Company issued a 10% convertible redeemable note to Mayers Ventures LLC ("Mayers") in the aggregate principal amount of $275, for which we received net proceeds of approximately $250 (the "Note"). On September 2, 2026, Mayers assigned the note over to Mandragola Ltd. ("Mandragola"). In October 2026, Mandragola converted the Note into shares of Series A Preferred Stock and subsequently converted Series A Preferred Stock into 575,726 shares of Common Stock, $0.0001 par value, which the Company issued on November 2, 2026 at a conversion price of $0.42 per share. The number of shares of Common Stock issued was limited by the 9.99% beneficial ownership limitation in the applicable securities purchase agreement, and Mandragola continues to hold shares of Series A Preferred Stock.

Note 3 - On August 28, 2026, the Company issued and sold two convertible promissory notes, in an aggregate principal amount of $165 to CL Investment and LU2 for aggregate consideration of $150. On September 14, 2026, the Company made a combined payment in the amount of $30 as repayment towards the two convertible notes. On October 14, 2026, the aggregate amount outstanding under both convertible promissory notes was $135, and on that date each of LU2 and CL Investment converted its convertible promissory note to 77 shares of Series A Preferred Stock.

Note 4 - Between 2023 and April 2026, the Company's Chief Executive Officer made seven loans to the Company for an aggregate principal amount of $770 as described in Note 3 – Notes Payable, Related Party. In September 2026, the Company's Chief Executive Officer converted $615 of the outstanding principal and interest of the loans to 683 shares of the Company's Series A Preferred Stock. On October 22, 2026, under an Exchange Agreement approved by the Audit Committee, the Company's Chief Executive Officer exchanged $161 of the $172 of outstanding notes (approximately $11 remains outstanding) for 202 shares of the Company's Series A Convertible Preferred Stock and a warrant to purchase 100,798 shares of the Company's common stock at an exercise price of $0.61 per share, expiring October 22, 2029, which were issued directly to AstraBridge Inc. at the Chief Executive Officer's direction.

Note 5 - On October 13, 2026, we issued and sold to LU2, in a private placement, 417 shares of our Series A Convertible Preferred Stock, par value $0.0001 per share (the "Series A Preferred"), having an aggregate stated value of $417, together with warrants to purchase an aggregate of 188,636 shares of common stock at an exercise price of $1.10 per share. The Series A Preferred has a stated value of $1,000 per share, accrues a 10% payment-in-kind dividend, is perpetual, ranks senior to our common stock, and is convertible into common stock at a price equal to 90% of the lowest VWAP over the seven consecutive trading days immediately preceding the applicable conversion date, but not less than the floor price.

Note 6 - On October 19, 2026, we issued and sold to LU2 Holdings LLC ("LU2"), in a private placement, 278 shares of our Series A Convertible Preferred Stock, par value $0.0001 per share (the "Series A Preferred"), having an aggregate stated value of $278, together with warrants to purchase an aggregate of 165,476 shares of common stock at an exercise price of $0.84 per share. The Series A Preferred has a stated value of $1,000 per share, accrues a 10% payment-in-kind dividend, is perpetual, ranks senior to our common stock, and is convertible into common stock at a price equal to 90% of the lowest VWAP over the seven consecutive trading days immediately preceding the applicable conversion date, but not less than the floor price.

Note 7 - On July 27, 2026, the Company entered into a Common Stock Purchase Agreement (the "Purchase Agreement") and a related Registration Rights Agreement (the "Registration Rights Agreement") with Roth. Under the Purchase Agreement, the Company has the right, but not the obligation, to sell to Roth up to $25,000 in aggregate gross purchase price of common stock. As of the date of this report, the Company has issued 776,148 shares of common stock to Roth for aggregate net proceeds to the Company of $989 after deducting fees and other amounts retained by Roth, of which 372,201 shares were sold between October 1, 2026, and the date of this report for net proceeds of $348 at an average share price of $1.07.

The pro forma balance sheet does not reflect the Vanquish note issued November 5, 2026, which does not affect stockholders' equity at issuance, or the conversions of the CFI note on November 16 and 17, 2026 (three conversions), which further increased our stockholders' equity by approximately $250. That pro forma amount does not reflect our results of operations after September 30, 2026. We have continued to incur operating losses since September 30, 2026, which have reduced our stockholders' equity. We have not completed our financial close for any period after September 30, 2026. However, based on the equity transactions described above, including the conversions of the CFI note in November 2026 that are not reflected in the pro forma balance sheet, and management's review of our operations since September 30, 2026, we believe that, as of the date of this report, our stockholders' equity exceeds $2.5 million and that we satisfy the stockholders' equity requirement of Listing Rule 5550(b)(1). Nasdaq will continue to monitor our ongoing compliance and, if at the time of our next periodic report we do not evidence compliance, we may be subject to delisting. Our continued compliance depends on our ability to raise additional equity capital to offset ongoing operating losses, and on the accounting classification of the securities we issue.

Credit Facility

Effective September 30, 2020, the Company entered into the Loan Agreement with Pinnacle. The Loan Agreement, as amended, provides for a revolving credit facility under which Pinnacle may, in its sole discretion upon our request, make advances to the Company up to $7,500, subject to certain limitations and adjustments. The Loan Agreement contains certain affirmative and negative covenants.

Borrowings based on receivables bear an interest on the daily balance at a rate of 1.25% above the prime rate, but in no event less than 3.75% per annum (8.25% at September 30, 2026 and 8.0% at December 31, 2025). Interest on the portion of the daily balance consisting of advances against inventory accrues interest at a rate of 2.25% above the prime rate, but in no event less than 4.75% per annum (9.25% at September 30, 2026 and 9.0% at December 31, 2025).

Pursuant to the Loan Agreement, as amended, the standards of eligible accounts receivable include AT&T accounts receivable up to 120 days of invoice date, and eligible accounts receivable with other customers have up to 90 days of invoice date. Customer accounts with eligible accounts receivable cannot exceed a concentration percentage which is a customer's total obligations to the Company as a percentage of eligible accounts receivable from all customers. The concentration percentage applicable to certain Tier-1 telecommunications customers is 75% of all eligible accounts receivable, and the concentration percentage applicable to all other customer is 25% of all eligible accounts.

At September 30, 2026 and December 31, 2025, the Company was not in compliance with the affirmative covenant requiring the Company to attain a minimum effective tangible net worth greater than $6,000. On March 10, 2026, the Company and Pinnacle executed the Forbearance Agreement, in which Pinnacle agreed to forbear from exercising certain rights and remedies under the Loan Documents arising from the Specified Existing Defaults for the period commencing March 10, 2026, the Effective Date, to July 31, 2026, the Forbearance Termination Date, considering the Company comply with the terms and condition set in the Forbearance Agreement and pay the full loan obligation to Pinnacle by July 31, 2026. On July 31, 2026, the Company had not paid full loan obligation to Pinnacle.

Effective July 31, 2026, Pinnacle Bank and the Company entered into a Notice of Additional Events and Defaults and Modifications to Forbearance Agreement and Loan Documents, the "Forbearance Modification Agreement", extending the Forbearance Agreement executed on March 10, 2026 to repay the full balance on the credit facility to August 31, 2026, with an automatic extension to September 30, 2026, if the Company complies to certain payment plan and the terms and conditions on the Forbearance Modification Agreement. At September 30, 2026, the Company had not paid the full balance on the credit facility and had an unpaid balance of $1,568.

As of the date of this report, the Company continues to make payments to bring down the balance on the credit facility and is working with Pinnacle Bank on new terms for a modification to the forbearance agreement. The forbearance period under the Forbearance Modification Agreement expired on September 30, 2026, and the Company did not make the scheduled paydowns or deliver the subordination agreements from CFI, Monroe and Mayers required by the Forbearance Modification Agreement. As a result, Pinnacle is no longer contractually obligated to forbear from exercising its remedies with respect to the existing Events of Default. In addition, the Company issued the Vanquish note in November 2026 without Pinnacle's consent, which may constitute an additional breach of the Loan Agreement. The Company applied a portion, but not all, of the proceeds from sales under the ELOC to the paydowns required by the Forbearance Modification Agreement. As of the date of this report, Pinnacle has not delivered a notice of acceleration or commenced enforcement action, and the Company and Pinnacle are negotiating a second modification to the Forbearance Agreement based on a draft provided by Pinnacle. There can be no assurance that the parties will enter into that modification on acceptable terms or at all. As of November 23, 2026, the outstanding balance under the line of credit was approximately $939. If the Company is unable to secure a payment extension or pay the full obligation within time satisfactory to Pinnacle Bank, Pinnacle may immediately enforce its claims, rights, liens, and security interests under the Forbearance Agreement and the Loan Documents, including but not limited to, taking possession of its collateral, or any portion thereof, and foreclosing upon its collateral, or any portion thereof, in accordance with the Loan Documents and applicable law.

The balance of the loan agreement at December 31, 2025 was $4,036. During 2026, the Company repaid a net of $2,468 to reduce the loan balance. At September 30, 2026, the outstanding balance under the line of credit was $1,568 which includes interest, fees and financing costs (see below), and $422 of the Company's accounts receivable and $4,423 of the Company's inventory is held as collateral under the credit facility.

The total interest expense, fees, and financing costs incurred under the Loan Agreement for the three-month periods ended September 30, 2026 and 2025 were $114 and $258, respectively. Of these amounts, $35 in 2026 and $88 in 2025 were recorded under general and administrative expenses, while $78 in 2026 and $170 in 2025 were recorded under interest expense and finance costs in the accompanying statements of operations.

The total interest expense, fees, and financing costs incurred under the Loan Agreement for the nine-month periods ended September 30, 2026 and 2025 were $393 and $497, respectively. Of these amounts, $57 in 2026 and $90 in 2025 were recorded under general and administrative expenses, while $336 in 2026 and $407 in 2025 were recorded under interest expense and finance costs in the accompanying statements of operations.

Cash Flow

The following table sets forth the significant sources and uses of cash for the nine-month periods set forth below:

	September 30, 2026 (Unaudited)	September 30, 2025 (Unaudited)
Net Cash Provided By (Used In)		
Operating Activities	$ (3,198)	$ (589)
Investing Activities	—	—
Financing Activities	3,014	95
Net decrease in cash	$ (184)	$ (494)

Operating Activities

Net cash used in operating activities for the nine months ended September 30, 2026 was $3,198 as compared to net cash used in operating activities of $589 for the same period in 2025. This change in net cash used in the nine months ended September 30, 2026 was primarily due to a net loss of $3,917, an increase of $496 in common stock compensation to consultants, an increase in accounts receivable of $157, and an increase in accounts payable of $40.

Financing Activities

Net cash provided by financing activities totaled $3,014 for the nine months ended September 30, 2026, as compared to $95 provided by financing activities during the same period in 2025. This cash provided was primarily net proceeds of $2,424 from issuance of common stock under the Company's ATM account, net proceeds of $641 from issuance of common stock under the Company's ELOC account, net proceeds of $1,400 from the issuance of Series A preferred shares, and net borrowings of $1,286 on issued convertible notes payable coupled with net payments of $2,468 to the line of credit with Pinnacle Bank.

Backlog

Our sales backlog as of September 30, 2026 was $3,502, of which our telecommunications customers accounted for 64%, customers in military markets accounted for 34%, and customers in the marine market accounted for 2%.

We believe the majority of our sales backlog will be shipped within the next twelve months.

ITEM 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

ITEM 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Co-Chief Executive Officers (our co-principal executive officers) and our Chief Financial Officer (our principal financial officer), evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Co-Chief Executive Officers and Chief Financial Officer have concluded that as of September 30, 2026, our disclosure controls and procedures were not effective at the reasonable assurance level, due to the complexity of the accounting for our debt and equity transactions, including convertible notes, derivative liabilities, Series A Preferred Stock and warrants, and the related challenges in our financial statement closing process. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control over Financial Reporting

As noted above, we concluded that due to the complexity of the accounting for our debt and equity transactions, including convertible notes, derivative liabilities, Series A Preferred Stock and warrants, and the related challenges in our financial statement closing process, our disclosure and controls and procedures became ineffective during the period. There were no other changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three and nine months ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. Legal Proceedings

From time to time, we may be involved in general commercial disputes arising in the ordinary course of our business. As described in Note 1 and Note 8 to the condensed financial statements, the landlord for our headquarters facility filed a summons for eviction on October 24, 2025 and evicted us from that facility on May 19, 2026; we regained access under a settlement agreement dated May 22, 2026. Other than as described above, we are not currently involved in legal proceedings that could reasonably be expected to have material adverse effect on our business, prospects, financial condition or results of our operation.

ITEM 1A. Risk Factors

Before deciding to purchase, hold or sell our common stock, you should carefully consider the risks described below in addition to the other information contained in this Quarterly Report on Form 10-Q and in our other filings with the SEC, including subsequent reports on Forms 10-Q and 8-K. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business. If any of these known or unknown risks or uncertainties actually occurs with material adverse effects on us, our business, financial condition, results of operations and/or liquidity could be seriously harmed. In that event, the market price for our common stock will likely decline, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

As a result of our history of losses and negative cash flows from operations, our management has performed an analysis and concluded that substantial doubt exists about our ability to continue as a going concern, and we may need to raise additional financing to continue our operations.

The accompanying financial statements have been prepared under the assumption that the Company will continue as a going concern. For the nine months ended September 30, 2026, the Company recorded a net loss of $3,917 and used cash in operations of $3,198. Further, the Company was delinquent in its rent payments to its landlords for its office and warehouse facilities. See "—We manufacture and assemble a majority of our products at two facilities. We are delinquent in our rent payments to our landlords for our office and warehouse facilities. Any prolonged disruption in the operations of these facilities would result in a decline in our sales and profitability." The Company was also not in compliance with an affirmative covenant under the Loan Agreement. See "—We are currently not in compliance with an affirmative covenant under the Loan Agreement with Pinnacle. The loan from Pinnacle may discontinue and our ability to secure other financing is uncertain."

These factors raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued. In addition, our independent registered public accounting firm, in its audit report to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2025, expressed substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. See "ITEM 2. Management's Discussion And Analysis Of Financial Condition And Results Of Operations - Liquidity and Capital Resources - Going concern."

Based on our current operating plan, we may need to raise additional financing to continue our operations for the foreseeable future, and until we become profitable. Our future viability as an ongoing business is dependent on our ability to generate cash from our operating activities or to raise additional capital to finance our operations. We expect to finance our future cash needs through equity or debt financings, collaborations or a combination of these approaches. The sale of equity or convertible debt securities may result in dilution to our stockholders, and, in the case of preferred equity securities or convertible debt, those securities could provide for rights, preferences or privileges senior to those of our common stock. Debt financings may subject us to covenant limitations or restrictions on our ability to take specific actions, such as incurring additional debt or making capital expenditures. Our ability to raise additional funds may be adversely impacted by negative global economic conditions and any disruptions to and volatility in the credit and financial markets in the United States and worldwide or other factors. There can be no assurance that we will be successful in acquiring additional funding at levels sufficient to fund our operations or on terms favorable or acceptable to us. If we are unable to obtain adequate financing when needed or on terms favorable or acceptable to us, we may be forced to delay, reduce the scope of or eliminate one or more of our research and development programs.

The perception that we might be unable to continue as a going concern may also make it more difficult to obtain financing for the continuation of our operations on terms that are favorable to us, or at all, and could result in the loss of confidence by investors and employees. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty. If we are unable to continue as a going concern, we may have to liquidate our assets and may receive less than the value at which those assets are carried on our financial statements, and it is likely that our investors will lose all or a part of their investment.

We manufacture and assemble a majority of our products at two facilities. We are delinquent in our rent payments to our landlords for our office and warehouse facilities. Any prolonged disruption in the operations of these facilities would result in a decline in our sales and profitability.

We manufacture and assemble our DC power systems at our two production facilities located in Gardena, California. We are currently delinquent in our rent payments to our landlords for our office and warehouse facilities. The landlord for our headquarters and manufacturing facility at 249 E. Gardena Blvd., Gardena, California filed a summons for eviction on October 24, 2025. On May 19, 2026, the landlord for the Company's headquarters facility evicted the Company from that facility for not meeting the payment terms of a settlement agreement dated May 11, 2026. While we regained access to the facility and reached a new settlement agreement with the landlord on May 22, 2026, there is no guarantee that we will continue to meet the payment terms of the settlement agreement or lease terms of any of our facilities, or that we could raise sufficient capital to pay the delinquent rent. It is possible that we will be forced to vacate from any or all facilities, and if that happens, we might have difficulty locating a new headquarters, or new manufacturing or warehouse facilities that are adequate, in a timely manner. Our production could be significantly delayed, access to our inventory could be impaired, and our operations could halt for a significant period of time.

Any prolonged disruption in the operations of our manufacturing and assembly facilities, equipment or information technology infrastructure failure, labor difficulties, destruction of or damage to one or both of these facilities as a result of an earthquake, fire, flood, other catastrophes, and other operational problems would result in a decline in our sales and profitability. In the event of a business interruption at our facilities, we may be unable to shift manufacturing and assembly capabilities to alternate locations, accept materials from suppliers or meet customer shipment needs, among other severe consequences. Such an event could have a material and adverse impact on our financial condition and results of our operations.

We are currently not in compliance with an affirmative covenant under the Loan Agreement with Pinnacle. The loan from Pinnacle may discontinue and our ability to secure other financing is uncertain.

Effective September 30, 2020, we entered into a loan agreement (the "Loan Agreement") with Pinnacle Bank ("Pinnacle") which expired on September 30, 2026. The Loan Agreement, as amended, provides for a revolving credit facility under which Pinnacle may, in its sole discretion upon our request, make advances to us up to $7,500, subject to certain limitations and adjustments. The Loan Agreement contains certain affirmative and negative covenants. At September 30, 2026 and December 31, 2025, we were not in compliance with the affirmative covenant requiring the Company to attain a minimum effective tangible net worth greater than $6,000. On March 10, 2026, we executed a Notice of Additional Defaults and Forbearance Agreement (the "Forbearance Agreement") with Pinnacle, in which Pinnacle agrees to forbear from exercising certain rights and remedies under the Loan Agreement and related documents (the "Loan Documents") arising from the Specified Existing Defaults (as defined by the Forbearance Agreement) for the period commencing March 10, 2026 (the "Effective Date"), to July 31, 2026 (the "Forbearance Termination Date"). While we expected to stay in compliance and pay the full obligation to Pinnacle by July 31, 2026, we were unable to do so.

Effective July 31, 2026, we entered into a Notice of Additional Events and Defaults and Modifications to Forbearance Agreement and Loan Documents with Pinnacle Bank, the "Forbearance Modification Agreement", extending the Forbearance Agreement executed on March 10, 2026 to repay the full balance on the credit facility to August 31, 2026, with an automatic extension to September 30, 2026, if we comply to certain payment plan and the terms and conditions on the Forbearance Modification Agreement. At September 30, 2026, we did not pay the full balance on the credit facility and had an unpaid balance of $1,568. As of the date of this report, we continue to make payments to bring down the balance on the credit facility and are working with Pinnacle Bank on new terms for a modification to the Forbearance Agreement. The forbearance period under the Forbearance Modification Agreement expired on September 30, 2026, and the Company did not make the scheduled paydowns or deliver the subordination agreements from CFI, Monroe and Mayers required by the Forbearance Modification Agreement. As a result, Pinnacle is no longer contractually obligated to forbear from exercising its remedies with respect to the existing Events of Default. In addition, the Company issued the Vanquish note in November 2026 without Pinnacle's consent, which may constitute an additional breach of the Loan Agreement. The Company applied a portion, but not all, of the proceeds from sales under the ELOC to the paydowns required by the Forbearance Modification Agreement. As of the date of this report, Pinnacle has not delivered a notice of acceleration or commenced enforcement action, and the Company and Pinnacle are negotiating a second modification to the Forbearance Agreement based on a draft provided by Pinnacle. There can be no assurance that the parties will enter into that modification on acceptable terms or at all. As of November 23, 2026, the outstanding balance under the line of credit was approximately $939. If we are unable to secure a payment extension or pay the full obligation within time satisfactory to Pinnacle Bank, Pinnacle may immediately enforce its claims, rights, liens, and security interests under the Forbearance Agreement and the Loan Documents, including but not limited to, taking possession of its collateral, or any portion thereof, and foreclosing upon its collateral, or any portion thereof, in accordance with the Loan Documents and applicable law.

Rising inflation in the economies in which we operate may adversely affect our operating margins and our results of operation.

In general, we believe that our results of operations are not dependent on moderate changes in the inflation rate. Historically, we have been able to manage the impacts of more significant changes in inflation rates through our customer relationships, customer agreements that may provide for price increases and continued focus on improvements of operational productivity. However, the current inflationary environment, we believe, has impacted the Company's business in 2025 and 2026, including as a result of increased energy costs, increase materials costs due to higher tariffs on key components which may not be able to pass to customers as well as increasing wages in the labor markets in which we compete. Inflation could continue to pressure our margins in future periods. Adverse economic conditions resulting from inflationary pressures, U.S. Federal Reserve actions, geopolitical issues or otherwise are difficult to predict and may have a material adverse impact on our business, results of operations and financial condition.

Terrorist attacks and threats of war may impact all aspects of our operations, revenues, costs and stock price in unpredictable ways.

The impacts of war and other geopolitical events, including but not limited to Russia's invasion of Ukraine and the military conflicts between U.S., Israel, and Iran, are difficult to predict. The resulting geopolitical uncertainty are likely to have a significant impact on the European Union, the United Kingdom and other countries, including the U.S. The threat that these military operations may expand beyond Ukraine, Israel, and the Gaza Strip may have a negative impact as well. Significant increases in the price of oil and natural gas have occurred and are likely to continue putting additional inflationary pressures on central banks, including Federal Reserve System (the "FRB"). It is possible that interest rate hikes by the FRB will continue to occur in 2026, but the amount, timing, and frequency of such increases are not fully known at this time. As a result of these conflicts, the threat of cyberattacks has increased which could affect banks in the U.S. and their customers. Additionally, the United States and European nations have imposed very significant financial sanctions on the Russian Federation, including targeted sanctions on Russian banks and wealthy individuals as well as halting certification of the Nord Stream 2 gas pipeline. They have denied Russian banks access the Society for Worldwide Interbank Financial Telecommunications or SWIFT which is expected to slow international trade and make such transactions costlier to accomplish which could also negatively affect banks in the U.S. and their customers. In response to the Russian military actions, many businesses headquartered in the Eurozone and the United States have stopped doing business with Russia, which may negatively affect the profitability of those companies. The international turmoil has already had and may continue to have a negative impact on the stock market generally and, in turn, on our stock price.

The continuation or escalation of events like the U.S.-Israel-Iran conflict may also disrupt business operations of our suppliers and/or customers, causing supply chain constraints or delayed spending by our customers. The full impact of such events are not known at this time, but they could have a material adverse impact on our business, financial condition, results of operations, and stock price.

We have incurred significant losses in the past and we may incur losses in the future, which may hamper our operations and impede us from expanding our business.

We have incurred significant losses in the past. For the years ended December 31, 2025 and 2024, we incurred net losses of approximately $9.1 million and $4.7 million, respectively. For the three and nine months ended September 30, 2026, we incurred net losses of $1,908, and $3,917, respectively. We may incur net and gross losses in the future. We expect to rely on cash on hand, cash, if any, generated from our operations, borrowing availability under our line of credit and proceeds from our future financing activities, if any, to fund all of the cash requirements of our business. Additional losses may hamper our operations and impede us from expanding our business.

We are dependent on, and derive substantially all of our revenue from, sales of our DC base power systems to one customer within the U.S. telecommunications market. Our efforts to expand our customer base, our product portfolio or markets within which we operate may not succeed and may reduce our revenue growth rate.

We derive substantially all our revenues from sales of our DC base power systems to one Tier-1 customer within the telecommunications market. The volume of sales to them may vary significantly from year to year. Any factor adversely affecting sales of these power systems to this customer or to other customers within this market, including market acceptance, product competition, performance and reliability, reputation, price competition and economic and market conditions, could adversely affect our business and results of operations.

In addition, any unfavorable change in our business relationship with our Tier-1 wireless telecommunications carrier customers, or delays in customer implementation and deployment of our products, could have a material adverse effect on our results of operation and financial condition. Our plans to invest in the development of electric vehicle chargers, residential and commercial power products and higher capacity DC hybrid solar systems may not result in an anticipated growth in sales and may reduce our revenue growth rate.

Many of our DC power systems involve long design and sales cycles, which could have an adverse impact on our results of operations and financial performance.

The design and sales cycle for our DC power systems, from initial contact with our potential customer to the shipments of our product, may be lengthy. Customers generally consider a wide range of factors before making a purchase decision. Prior to purchasing our products, many of our customers often require a significant technical review, tests and evaluations over long periods of time (i.e., three to twenty-four months), assessments of competitive products and approval at a number of management levels within their organization. During the time our customers are evaluating our products, we may incur substantial sales and service, engineering and research and development expenses to customize our products to meet customer's application needs. We may also make significant management efforts, increase manufacturing capacity, order long-lead-time components or purchase significant amounts of components and other inventory prior to receiving an order. Even after this evaluation process, a potential customer may not purchase our products.

The product development time before a customer agrees to purchase our DC power systems can be considerable. Our process for developing an integrated solution may require use of significant engineering resources, including design, prototyping, modeling, testing and application engineering. The length of this cycle is influenced by many factors, including the difficulty of the technical specification and complexity of the design and the customer's procurement processes. A significant period may elapse between our investment of time and resources in designing and developing a product for a customer and receipt of revenue from sales of that product. The length of this process, combined with unanticipated delays in the development cycles could materially affect our results of operations and financial conditions.

We do not have long-term commitments for significant revenues with most of our customers and may be unable to retain existing customers, attract new customers or replace departing customers with new customers that can provide comparable revenues and profits.

Because we generally do not obtain firm, long-term volume purchase commitments from our customers, most of our sales are derived from individual purchase orders. We remain dependent upon securing new purchase orders in the future in order to sustain and grow our revenues. Accordingly, there is no assurance that our revenues and business will grow in the future. Our failure to maintain and expand our customer relationships could materially and adversely affect our business and results of operations.

The current high concentration of our sales within the telecommunications market could result in a significant reduction in sales and negatively affect our profitability if demand for our DC power systems declines within this market before we are able to make significant inroads with our diversification of markets and customers.

Currently, we are predominately focused on the manufacturing, marketing and sales of DC power systems to telecommunications companies. We may be unable to shift our business focus away from these activities to other potential markets for our products. Accordingly, the emergence of new competing DC power products or lower-cost alternative technologies within the telecommunications market may reduce the demand for our products. A downturn in the demand for our DC power systems within this market could materially and adversely affect our sales and results of operations.

We face inventory risk and may be required to write-off inventory in the future.

We value inventories at the lower of cost or net realizable value. If the estimated net realizable value is determined to be less than the recorded cost of the inventory, a provision is made to reduce the carrying amount of the inventory item to the lower net realizable value determination. Determination of the net realizable value may be complex, and therefore, requires management to make assumptions and to apply a high degree of judgment. In order for management to make the appropriate determination of net realizable value, the following items are commonly considered: inventory turnover statistics, inventory quantities on hand in our facilities, unfilled customer order quantities, forecasted consumer demand, current prices, competitive pricing, seasonality factors, consumer trends and performance of similar products or accessories. Subsequent changes in facts or circumstances do not result in the reversal of previously recorded write-downs.

If our estimates regarding net realizable value are inaccurate, including our estimates regarding our inventory, or changes in customer demand for our products in an unforeseen manner, we may experience additional write-downs of our inventory.

The unavailability or shortage, or increase in the cost, of raw materials and components could have an adverse effect on our sales and profitability.

Our operations require raw materials, such as aluminum, copper, engines, electronics, and permanent magnets. Commodities such as aluminum and copper are known to have significant price volatility based on global economic conditions. An increase in global economic outlook may result in significant price increases in the cost of our raw materials. In addition, we use Neodymium permanent magnets in our alternators, for which there are a limited number of global suppliers that can meet our standards. Increase in manufacturing of electric vehicles worldwide can have an adverse effect on the cost or supply of these magnets. At our current production volumes, we are unable to secure large quantities of these commodities at fixed prices; however, we do have multiple sources of supply for our raw materials to meet our near term forecasted needs. Various factors could reduce the availability of raw materials and components and shortages may occur from time to time in the future. An increase in lead times for the supply of raw materials due to a global increase in demand for commodities or other reasons may significantly increase the timing of receipt of such materials and/or increase the material costs of our products. For example, if production was interrupted due to unavailability or shortage of raw materials and we were not able to find alternate third-party suppliers or re-engineer our products to accommodate different components or materials, we could experience disruptions in manufacturing and operations including product shortages, higher freight costs and re-engineering costs. If our supply of raw materials or components are disrupted or our lead times extended, our business, results of operations or financial condition could be materially adversely affected.

The markets within which we compete are highly competitive. Many of our competitors have greater financial and other resources than we do and one or more of these competitors could use their greater financial and other resources to gain market share at our expense.

If our business continues to develop as expected, we anticipate that we will grow our revenues in the near future. If, due to capital constraints or otherwise, we are unable to fulfill our existing backlog in a timely manner and/or procure and timely fulfill our anticipated future backlog, our customers and potential customers may decide to use competing DC power systems or continue the use of AC power systems. If we are unable to fulfill the demand for products and services in a timely manner, our customers and potential customers may choose to purchase products from our competitors. Some of our larger competitors may be willing to reduce prices and accept lower margins in order to compete with us. In addition, we could face new competition from large international or domestic companies with established industrial brands and distribution networks that enter our end markets. Demand for our products may also be affected by our ability to respond to changes in design and functionality, to respond to downward pricing pressure, and to provide shorter lead times for our products than our competitors. If we are unable to respond successfully to these competitive pressures, we could lose market share, which could have an adverse impact on our results. We cannot assure that we will be able to compete successfully in our markets or compete effectively against current and new competitors as our industry continues to evolve.

Rapid technological changes may prevent us from remaining current with our technological resources and maintaining competitive product and service offerings.

The markets in which we and our customers operate are characterized by rapid technological change, especially within the telecommunications market. Significant technological changes could render our existing and potential new products, services and technology obsolete. Our future success will depend, in large part, upon our ability to:

- effectively identify and develop leading energy efficient technologies;
- continue to develop our technical expertise;
- enhance our current products and services with new, improved and competitive technology; and
- respond to technological changes in a cost-effective and timely manner.

If we are unable to successfully respond to technological change or if we do not respond to it in a cost-effective and timely manner, then our business will be materially and adversely affected. We cannot assure you that we will be successful in responding to changing technology. In addition, technologies developed by others may render our products, services and technology uncompetitive or obsolete. Even if we do successfully respond to technological advances, the integration of new technology may require substantial time and expense, and we cannot assure you that we will succeed in adapting our products, services and technology in a timely and cost-effective manner.

If we are unable to continue to develop new and enhanced products and services that achieve market acceptance in a timely manner, our competitive position and operating results could be harmed.

Our future success will depend on our ability to continue to develop new and enhanced DC power systems and related products and services that achieve market acceptance in a timely and cost-effective manner. The markets in which we and our customers operate are characterized by frequent introductions of new and enhanced products and services, evolving industry standards and regulatory requirements, government incentives and changes in customer needs. The successful development and market acceptance of our products and services depends on a number of factors, including:

- the changing requirements and preferences of the potential customers in our markets;
- the accurate prediction of market requirements, including regulatory issues;
- the timely completion and introduction of new products and services to avoid obsolescence;
- the quality, price and performance of new products and services;

- the availability, quality, price and performance of competing products and services;
- our customer service and support capabilities and responsiveness;
- the successful development of our relationships with existing and potential customers; and
- changes in industry standards.

We may experience financial or technical difficulties or limitations that could prevent us from introducing new or enhanced products or services. Furthermore, any of these new or enhanced products and services could contain problems that are discovered after they are introduced. We may need to significantly modify the design of these products and services to correct problems. Rapidly changing industry standards and customer preferences and requirements may impede market acceptance of our products and services.

Development and enhancement of our products and services will require significant additional investment and could strain our management, financial and operational resources. The lack of market acceptance of our products or services or our inability to generate sufficient revenues from this development or enhancement to offset their development costs could have a material adverse effect on our business. In addition, we may experience delays or other problems in releasing new products and services and enhancements, and any such delays or problems may cause customers to forego purchases of our products and services and to purchase those of our competitors.

We cannot provide assurance that products and services that we have recently developed or that we develop in the future will achieve market acceptance. If our new products and services fail to achieve market acceptance, or if we fail to develop new or enhanced products and services s that achieve market acceptance, our growth prospects, operating results and competitive position could be adversely affected.

Natural disasters and other events beyond our control could materially adversely affect us.

Natural disasters or other catastrophic events, such as the COVID-19 pandemic and recovery, may cause damage or disruption to our operations, international commerce and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our services to our customers and could decrease demand for our services.

We are dependent on relationships with our key material suppliers, and the partial or complete loss of one of these key suppliers, or the failure to find replacement suppliers or manufacturers in a timely manner, could adversely affect our business.

We have established relationships with third party engine suppliers and other key suppliers from which we source components for our power systems. We purchase standard configurations of engines for our DC power systems and are substantially dependent on timely supply from our key engine suppliers, Yanmar Engines Company (“Yanmar”), Toyota Corporation (“Toyota”), and Ford Motor Company (Ford). Engines from Yanmar, Toyota, and Ford represented 83%, 17%, and nil% of our total engines sold as a component of our DC power systems during the three months ended September 30, 2026, respectively, and represented approximately 47%, 15%, and 29% of our total engines sold as components of our DC power systems during the same period in 2025, respectively. Engines from Yanmar, Toyota, and Ford represented 80%, 3%, and 15% of our total engines sold as a component of our DC power systems during the nine months ended September 30, 2026, respectively, and represented approximately 73%, 7%, and 16% of our total engines sold as components of our DC power systems during the same period in 2025, respectively. We also use engines from Perkins, Isuzu, Kubota and, to a lesser extent, Volvo Penta. We do not have any long-term contracts or commitments with any of these suppliers. If any of these engine suppliers were to fail to provide emissions certified engines in a timely manner or fail to supply engines that meet our quality, quantity or cost requirements, or were to discontinue manufacturing any engines we source from them or discontinue providing any of these engines to us, or the supply chain is interrupted or delayed as a result of an unprecedented event, and we were unable to obtain substitute sources in a timely manner or on terms acceptable to us, our ability to manufacture our products could be materially adversely affected.

Price increases in some of the key components in our DC power systems could materially and adversely affect our operating results and cash flows.

The prices of some of the key components of our DC power systems are subject to fluctuation due to market forces beyond our control, including changes in the costs of raw materials incorporated into these components. Such price increases occur from time to time due to spot shortages of commodities, increases in labor costs or longer-term shortages due to market forces. In particular, the prices of engines can fluctuate frequently and often significantly. We do not have any long-term contracts or commitments with our two key engine suppliers. Substantial increases in the prices of raw materials used in components which we source from our suppliers may result in increased prices charged by our suppliers. If we incur price increases from our suppliers for key components in our DC power systems, our production costs will increase. Given competitive market conditions, we may not be able to pass all or any of those cost increases on to our customers in the form of higher sales prices. To the extent our competitors do not suffer comparable component cost increases, we may have even greater difficulty passing along price increases and our competitive position may be harmed. As a result, increases in costs of key components may adversely affect our margins and otherwise adversely affect our operating results and cash flows.

A portion of our key components are sourced in foreign countries, exposing us to additional risks that may not exist in the U.S.

A portion of our key components, such as engines, magnets and cooling systems, are purchased from suppliers located overseas, primarily in Asia. Our international sourcing subjects us to a number of potential risks in addition to the risks associated with third-party sourcing generally. These risks include:

- inflation or changes in political and economic conditions;
- unstable regulatory environments;
- changes in import and export duties;
- currency rate fluctuations;
- trade restrictions;
- labor unrest;
- logistical and communications challenges; and
- other restraints and burdensome taxes.

These factors may have an adverse effect on our ability to source our purchased components overseas. In particular, if the U.S. dollar were to depreciate significantly against the currencies in which we purchase raw materials from foreign suppliers, our cost of goods sold could increase materially, which would adversely affect our results of operations.

Our business operations are subject to substantial government regulation.

Our business operations are subject to certain federal, state, local and foreign laws and regulations. For example, our products, services and technologies are subject to regulations relating to building codes, public safety, electrical connections, security protocols, and local and state licensing requirements. The regulations to which we are subject may change, additional regulations may be imposed, or existing regulations may be applied in a manner that creates special requirements for the implementation and operation of our products or services that may significantly impact or even eliminate some of our revenues or markets. In addition, we may incur material costs or liabilities in complying with any such regulations. Furthermore, some of our customers must comply with numerous laws and regulations, which may affect their willingness and ability to purchase our products, services and technologies.

The modification of existing laws and regulations or interpretations thereof or the adoption of future laws and regulations could adversely affect our business, cause us to modify or alter our methods of operations and increase our costs and the price of our products, services and technology. In addition, we cannot provide any assurance that we will be able, for financial or other reasons, to comply with all applicable laws and regulations. If we fail to comply with these laws and regulations, we could become subject to substantial penalties or restrictions that could materially and adversely affect our business.

Certain of our products are used in critical communications networks which may subject us to significant liability claims.

Because certain of our products for customers in the telecommunications industry are used in critical communications networks, we may be subject to significant liability claims if our products do not work properly. We warrant to our customers that our products will operate in accordance with our product specifications. If our products fail to conform to these specifications, our customers could require us to remedy the failure or could assert claims for damages. The provisions in our agreements with customers that are intended to limit our exposure to liability claims may not preclude all potential claims. In addition, any insurance policies we have may not adequately limit our exposure with respect to such claims. Liability claims could require us to spend significant time and money in litigation or to pay significant damages. Any such claims, whether or not successful, would be costly and time-consuming to defend, and could divert management's attention and seriously damage our reputation and our business.

We could be adversely affected by our failure to comply with the laws applicable to our foreign activities, including the U.S. Foreign Corrupt Practices Act and other similar worldwide anti-bribery laws.

The U.S. Foreign Corrupt Practices Act, or the FCPA, and similar anti-bribery laws in other jurisdictions prohibit U.S.-based companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. We may pursue opportunities in certain parts of the world that experience government corruption, and in certain circumstances, compliance with anti-bribery laws may conflict with local customs and practices. Our policies mandate compliance with all applicable anti-bribery laws. Further, we require our partners, subcontractors, agents and others who work for us or on our behalf to comply with the FCPA and other anti-bribery laws. Although we have policies and procedures, and have conducted training, designed to ensure that we, our employees, our agents and others who work with us in foreign countries comply with the FCPA and other anti-bribery laws, there is no assurance that such policies, procedures or training will protect us against liability under the FCPA or other laws for actions taken by our agents, employees and intermediaries. If we are found to be liable for FCPA violations (either due to our own acts or inadvertence, or due to the acts or inadvertence of others), we could suffer from severe criminal or civil penalties or other sanctions, which could have a material adverse effect on our reputation, business, results of operations or cash flows. In addition, detecting, investigating and resolving actual or alleged FCPA violations is expensive and could consume significant time and attention of our senior management.

We are exposed to risks related to our international sales, and the failure to manage these risks could harm our business. If we fail to expand our business into international markets, our revenues and results of operations may be adversely affected.

In addition to our sales to customers within the U.S., we may become increasingly dependent on sales to customers outside the U.S. as we pursue expanding our business with customers worldwide. During the three months ended September 30, 2026 and 2025, our sales to international customers accounted for approximately 6% and less than 1%, respectively, of total revenue. During the nine months ended September 30, 2026 and 2025, our sales to international customers accounted for 11% and 7%, respectively, of total revenue. We continue to expect that a significant portion of our future revenues will be from international sales to customers in less developed or developing countries. As a result, the occurrence of any international, political, economic, or geographic event including changes in trade policy, tariffs, and/or export/import laws and regulations could result in a significant increase in the cost of materials used in our production and/or a significant decline in revenue.

During 2025, the U.S. government imposed tariffs on many products imported from many countries, which many of these countries have imposed retaliatory tariffs or threatened to impose tariffs on goods they import from the U.S. While we obtain most of our raw materials from domestic sources, many of our suppliers source materials from various countries and may pass tariffs they pay on to us. As of the date of this report, we have not been materially affected by tariffs, but it is difficult to determine the impact of these tariffs on our business for the rest of 2026 and beyond.

There are significant risks associated with conducting operations internationally, requiring significant financial commitments to support such operations. These operations present a number of challenges including oversight of daily operating practices in each location, handling employee benefits and employee behavior. In addition, compliance with complex foreign and U.S. laws and regulations that apply to our international operations increases our cost of doing business in international jurisdictions. These numerous and sometimes conflicting laws and regulations include internal control and disclosure rules, data privacy and filtering requirements, anti-corruption laws, such as the FCPA, and other local laws prohibiting corrupt payments to governmental officials, and anti-competition regulations, among others.

Violations of these laws and regulations could result in fines and penalties, criminal sanctions against us, our officers, or our employees, prohibitions on the conduct of our business and on our ability to offer our products and services in one or more countries, and could also materially affect our brand, our international expansion efforts, our ability to attract and retain employees, our business, and our operating results. Although we have implemented policies and procedures designed to ensure compliance with these laws and regulations, there can be no assurance that our employees, contractors, or agents will not violate our policies.

Some of the risks and challenges of doing business internationally include:

- the impact of an unprecedented event, such as a natural disaster or a global pandemic, on the global markets and the power generation market with the international telecommunications markets;
- requirements or preferences for domestic products or solutions, which could reduce demand for our products;
- unexpected changes in regulatory requirements;
- imposition of tariffs and other barriers and restrictions;
- restrictions on the import or export of critical technology;
- management communication and integration problems resulting from cultural and geographic dispersion;
- the burden of complying with a variety of laws and regulations in various countries;
- difficulties in enforcing contracts;
- the uncertainty of protection for intellectual property rights in some countries;
- application of the income tax laws and regulations of multiple jurisdictions, including relatively low-rate and relatively high-rate jurisdictions, to our sales and other transactions, which results in additional complexity and uncertainty;
- tariffs and trade barriers, export regulations and other regulatory and contractual limitations on our ability to sell products;
- greater risk of a failure of foreign employees to comply with both U.S. and foreign laws, including export and antitrust regulations, the FCPA and any trade regulations ensuring fair trade practices;
- heightened risk of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of, or irregularities in, financial statements;
- potentially adverse tax consequences, including multiple and possibly overlapping tax structures;
- general economic and geopolitical conditions, including war and acts of terrorism;
- lack of the availability of qualified third-party financing; and
- currency exchange controls.

While these factors and the impacts of these factors are difficult to predict, any one or more of them could adversely affect our business, financial condition and results of operations in the future.

Cyberattacks through security vulnerabilities could lead to disruption of business, reduced revenue, increased costs, liability claims, or harm to our reputation or competitive position.

Security vulnerabilities may arise from our hardware, software, employees, contractors or policies we have deployed, which may result in external parties gaining access to our networks, data centers, cloud data centers, corporate computers, manufacturing systems, and/or access to accounts we have at our suppliers, vendors, and customers. External parties may gain access to our data or our customers' data, or attack the networks causing denial of service or attempt to hold our data or systems in ransom. The vulnerability could be caused by inadequate account security practices such as failure to timely remove employee access when terminated. To mitigate these security issues, we have implemented measures throughout our organization, including firewalls, backups, encryption, employee information technology policies and user account policies. However, there can be no assurance these measures will be sufficient to avoid cyberattacks. If any of these types of security breaches were to occur and we were unable to protect sensitive data, our relationships with our business partners and customers could be materially damaged, our reputation could be materially harmed, and we could be exposed to a risk of litigation and possible significant liability.

Further, if we fail to adequately maintain our information technology infrastructure, we may have outages and data loss. Excessive outages may affect our ability to timely and efficiently deliver products to customers or develop new products. Such disruptions and data loss may adversely impact our ability to fulfill orders and interrupt other processes. Delayed sales or lost customers resulting from these disruptions could adversely affect our financial results, stock price and reputation.

The State of California enacted the California Consumer Privacy Act of 2018, or CCPA, effective on January 1, 2020. Our and our business partners' or contractors' failure to fully comply with the CCPA and other laws could lead to significant fines and require onerous corrective action. In addition, data security breaches experienced by us or our business partners or contractors could result in the loss of trade secrets or other intellectual property, public disclosure of sensitive commercial data, and the exposure of personally identifiable information (including sensitive personal information) of our employees, customers, suppliers, contractors and others.

Unauthorized use or disclosure of, or access to, any personal information maintained by us or on our behalf, whether through breach of our systems, breach of the systems of our suppliers or vendors by an unauthorized party, or through employee or contractor error, theft or misuse, or otherwise, could harm our business. If any such unauthorized use or disclosure of, or access to, such personal information was to occur, our operations could be seriously disrupted, and we could be subject to demands, claims and litigation by private parties, and investigations, related actions, and penalties by regulatory authorities. In addition, we could incur significant costs in notifying affected persons and entities and otherwise complying with the multitude of foreign, federal, state and local laws and regulations relating to the unauthorized access to, or use or disclosure of, personal information. Finally, any perceived or actual unauthorized access to, or use or disclosure of, such information could harm our reputation, substantially impair our ability to attract and retain customers and have an adverse impact on our business, financial condition and results of operations.

Risks Related to Our Intellectual Property

If we fail to adequately protect our intellectual property rights, we could lose important proprietary technology, which could materially and adversely affect our business.

Our success and ability to compete depends, in substantial part, upon our ability to develop and protect our proprietary technology and intellectual property rights to distinguish our products, services and technology from those of our competitors. The unauthorized use of our intellectual property rights and proprietary technology by others could materially harm our business.

Historically, we have relied primarily on a combination of trademark, copyright and trade secret laws, along with non-competition and confidentiality agreements, contractual provisions, licensing arrangements and proprietary software and manufacturing processes, to establish and protect our intellectual property rights. Although we hold several unregistered copyrights in our business, we believe that the success of our business depends more upon our proprietary technology, information, processes and know-how than on patents or trademark registrations. In addition, much of our proprietary information and technology may not be patentable; if we decided to apply for patents and/or trademarks in the future, we might not be successful in obtaining any such future patents or in registering any marks.

Despite our efforts to protect our intellectual property rights, existing laws afford only limited protection, and our actions may be inadequate to protect our rights or to prevent others from claiming violations of their proprietary rights. Unauthorized third parties may attempt to copy, reverse engineer or otherwise obtain, use or exploit aspects of our products and services, develop similar technology independently, or otherwise obtain and use information that we regard as proprietary. We cannot assure you that our competitors will not independently develop technology similar or superior to our technology or design around our intellectual property. In addition, the laws of some foreign countries may not protect our proprietary rights as fully or in the same manner as the laws of the U.S.

We may need to resort to litigation to enforce our intellectual property rights, to protect our trade secrets, and to determine the validity and scope of other companies' proprietary rights in the future. However, litigation could result in significant costs and in the diversion of management and financial resources. We cannot assure you that any such litigation will be successful or that we will prevail over counterclaims against us. Our failure to protect any of our important intellectual property rights or any litigation that we resort to in order to enforce those rights could materially and adversely affect our business.

If we face claims of intellectual property infringement by third parties, we could encounter expensive litigation, be liable for significant damages or incur restrictions on our ability to sell our products and services.

Although we are not aware of any present infringement of our products, services or technology on the intellectual property rights of others, we cannot be certain that our products, services and technologies do not or in the future will not infringe on the valid intellectual property rights held by third parties. In addition, we cannot assure you that third parties will not claim that we have infringed their intellectual property rights.

In recent years, there has been a significant amount of litigation in the U.S. involving patents and other intellectual property rights. In the future, we may be a party to litigation as a result of an alleged infringement of others' intellectual property. Successful infringement claims against us could result in substantial monetary liability, require us to enter into royalty or licensing arrangements, or otherwise materially disrupt the conduct of our business. In addition, even if we prevail on these claims, this litigation could be time-consuming and expensive to defend or settle and could result in the diversion of our time and attention and of operational resources, which could materially and adversely affect our business. Any potential intellectual property litigation also could force us to do one or more of the following:

- stop selling, incorporating or using our products and services that use the infringed intellectual property;
- obtain from the owner of the infringed intellectual property right a license to sell or use the relevant technology, which license may not be available on commercially reasonable terms, or at all; or
- redesign the products and services that use the technology.

If we are forced to take any of these actions, our business may be seriously harmed. Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed.

Risks Related to Our Common Stock

Our operating results can fluctuate significantly from period to period, which makes our operating results difficult to predict and can cause our operating results in any particular period to be less than comparable periods and expectations from time to time.

Our operating results have fluctuated significantly from quarter-to-quarter, period-to-period and year-to-year during our operating history and are likely to continue to fluctuate in the future due to a variety of factors, many of which are outside of our control. Certain factors that may affect our operating results include, without limitation, those set forth under "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies" in this Quarterly Report on Form 10-Q.

Because we have little or no control over many of these factors, our operating results are difficult to predict. Any adverse change in any of these factors could negatively affect our business and results of operations.

Our revenues, net income and other operating results are heavily dependent upon the size and timing of customer orders and projects, and the timing of the completion of those projects. The timing of our receipt of large individual orders, and of project completion, is difficult for us to predict. Because our operating expenses are based on anticipated revenues over the mid- and long-term and because a high percentage of our operating expenses are relatively fixed, a shortfall or delay in recognizing revenues can cause our operating results to vary significantly from quarter-to-quarter and can result in significant operating losses or declines in profit margins in any particular quarter. If our revenues fall below our expectations in any particular quarter, we may not be able, or it may not be prudent for us, to reduce our expenses rapidly in response to the revenue shortfall, which can result in us suffering significant operating losses or declines in profit margins in that quarter.

Due to these factors and the other risks discussed in this Quarterly Report on Form 10-Q, you should not rely on quarter-to-quarter, period-to-period or year-to-year comparisons of our results of operations as an indication of our future performance. Quarterly, period and annual comparisons of our operating results are not necessarily meaningful or indicative of future performance. As a result, it is likely that, from time to time, our results of operations or our revenue backlog could fall below historical levels or the expectations of public market analysts and investors, which could cause the trading price of our common stock to decline significantly.

Our Chairman, President and Co-Chief Executive Officer owns a significant percentage of our common stock and will exercise significant influence over matters requiring stockholder approval, regardless of the wishes of other stockholders.

As of September 30, 2026, our Chairman, President, Co-Chief Executive Officer and Secretary, Arthur D. Sams, beneficially owns approximately 18% of our outstanding shares of common stock. Mr. Sams therefore has significant influence over management and significant control over matters requiring stockholder approval, including the annual election of directors and significant corporate transactions, such as a merger or other sale of our company or our assets, for the foreseeable future. This concentrated control may limit stockholders' ability to influence corporate matters and, as a result, we may take actions that our stockholders do not view as beneficial. As a result, the market price of our common stock could be adversely affected.

The price of our shares of common stock is volatile, and you could lose all or part of your investment.

The trading price of our shares of common stock is volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control, including limited trading volume. In addition to the factors discussed in the "Risk Factors" section and elsewhere in this Quarterly Report on Form 10-Q, these factors include, without limitation:

- competition from existing technologies and products or new technologies and products that may emerge;
- the loss of significant customers, including AT&T and Verizon Wireless;
- actual or anticipated variations in our quarterly operating results;

- failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public;
- our cash position;
- announcement or expectation of additional financing efforts;
- issuances of debt or equity securities;
- our inability to successfully enter new markets or develop additional products;
- actual or anticipated fluctuations in our competitors' operating results or changes in their respective growth rates;
- sales of our shares of common stock by us, or our stockholders in the future;
- trading volume of our shares of common stock on The Nasdaq Capital Market;
- market conditions in our industry;
- overall performance of the equity markets and general political and economic conditions;
- introduction of new products or services by us or our competitors;
- additions or departures of key management, engineering or other personnel;
- publication of research reports about us or our industry or positive or negative recommendations or withdrawal of research coverage by securities or industry analysts;
- changes in the market valuation of similar companies;
- disputes or other developments related to intellectual property and other proprietary rights;
- changes in accounting practices;
- significant lawsuits, including stockholder litigation; and
- other events or factors, many of which are beyond our control.

Furthermore, the public equity markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our shares of common stock. Decreases in the price of our common stock may also lead to de-listing of our common stock.

A decline in the price of our common stock could affect our ability to raise further working capital, which could adversely impact our ability to continue operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. We may attempt to acquire a significant portion of the funds we need in order to conduct our planned operations through the sale of equity securities; thus, a decline in the price of our common stock could be detrimental to our liquidity and our operations because the decline may adversely affect investors' desire to invest in our securities. If we are unable to raise the funds we require for all of our planned operations, we may be forced to reallocate funds from other planned uses and may suffer a significant negative effect on our business plan and operations, including our ability to develop new products or services and continue our current operations. As a result, our business may suffer, and we may be forced to reduce or discontinue operations. We also might not be able to meet our financial obligations if we cannot raise enough funds through the sale of our common stock and we may be forced to reduce or discontinue operations.

We do not anticipate paying cash dividends, and accordingly, stockholders must rely on stock appreciation for any return on their investment.

We have never declared or paid cash dividends on our capital stock. We intend to retain a significant portion of our future earnings, if any, to finance the operations, development and growth of our business. Any future determination to declare dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that our board of directors may deem relevant. As a result, only appreciation of the price of our common stock, which may never occur, will provide a return to stockholders.

Our failure to satisfy certain listing requirements may result in our common stock being delisted from The Nasdaq Capital Market, which may make it more difficult for our shareholders to sell shares of our common stock.

Our common stock is listed on Nasdaq. Nasdaq has several quantitative and qualitative requirements companies must comply with to maintain this listing, including a $1.00 minimum bid price per share (the "Bid Price Rule"). On November 24, 2023, we received a deficiency letter from the Listing Qualifications Department of The Nasdaq Stock Market ("Nasdaq") indicating that our common stock is subject to potential delisting from the Nasdaq because for a period of 30 consecutive business days, the bid price of our common stock has closed below the minimum $1.00 per share requirement for continued inclusion under Nasdaq Marketplace Rule 5550(a)(2) (the "Bid Price Rule").

On November 18, 2024, the Company effected a 1:7 Reverse Stock Split of its shares of common stock. On December 23, 2024, the Company received a letter from Nasdaq informing the Company that the Company regained compliance with the Bid Price Rule and that the Company is therefore in compliance with the Nasdaq's listing requirements. Our common stock continues to trade on The Nasdaq Capital Market under the symbol "POLA" at this time.

While we regained compliance with the Bid Price Rule in December 2024, on May 1, 2026, Nasdaq notified us that we did not comply with the $2.5 million minimum stockholders' equity requirement of Listing Rule 5550(b)(1). Although Nasdaq Staff determined on November 3, 2026, based on our Form 8-K dated October 23, 2026, that we comply with that rule, our stockholders' equity at September 30, 2026 was $1,844, and we may be subject to delisting if we fail to evidence compliance in our periodic reports. Our continued compliance depends on raising additional equity to offset our operating losses. In addition, our common stock has recently traded below $1.00 per share, and we may again fail to comply with the Bid Price Rule. There can be no assurance that we will continue to be in compliance with Nasdaq Listing Rules. If the stock is delisted, we may trade on the over-the-counter market, or even in the pink sheets, which would significantly decrease the liquidity of an investment in our common stock.

If securities or industry analysts do not publish research or reports or publish inaccurate or unfavorable research or reports about our business, our share price and trading volume could decline.

The trading market for our shares of common stock depends, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If no securities or industry analysts undertake coverage of our company, the trading price for our shares of common stock may be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of the analysts who covers us downgrades our shares of common stock, changes their opinion of our shares or publishes inaccurate or unfavorable research about our business, our share price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our shares of common stock could decrease and we could lose visibility in the financial markets, which could cause our share price and trading volume to decline.

We are not subject to the provisions of Section 203 of the Delaware General Corporation Law, which could negatively affect your investment.

We elected in our certificate of incorporation, as amended (the "certificate of incorporation") to not be subject to the provisions of Section 203 of the Delaware General Corporation Law, or Section 203. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. A "business combination" includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder. An "interested stockholder" is a person who, together with affiliates and associates, owns (or, in certain cases, within three years prior, did own) 15% or more of the corporation's voting stock. Our decision not to be subject to Section 203 will allow, for example, Arthur D. Sams, our Chairman, President, Co-Chief Executive Officer and Secretary (who beneficially owns approximately 18% of our common stock as of September 30, 2026) to transfer shares in excess of 15% of our voting stock to a third-party free of the restrictions imposed by Section 203. This may make us more vulnerable to takeovers that are completed without the approval of our board of directors and/or without giving us the ability to prohibit or delay such takeovers as effectively.

Some provisions of our charter documents and Delaware law may have anti-takeover effects that could discourage an acquisition of us by others, even if an acquisition would be beneficial to our stockholders, and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our certificate of incorporation and bylaws, as well as provisions of Delaware law, could make it more difficult for a third party to acquire us or increase the cost of acquiring us, even if doing so would benefit our stockholders. These provisions include:

- a requirement that special meetings of stockholders be called only by the board of directors, the president or the chief executive officer;
- advance notice requirements for stockholder proposals and nominations for election to our board of directors; and
- the authority of the board of directors to issue preferred stock on terms determined by the board of directors without stockholder approval and which preferred stock may include rights superior to the rights of the holders of common stock.

These anti-takeover provisions and other provisions in our certificate of incorporation and bylaws could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by the then-current board of directors and could also delay or impede a merger, tender offer or proxy contest involving us. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing or cause us to take other corporate actions you desire. Any delay or prevention of a change of control transaction or changes in our board of directors could cause the market price of our common stock to decline.

Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or other employees.

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, or (iv) any action asserting a claim against us governed by the internal affairs doctrine.

For the avoidance of doubt, the exclusive forum provision described above does not apply to any claims arising under the Securities Act or the Exchange Act. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder, and Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

The choice of forum provision in our bylaws may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and our directors, officers, employees and agents even though an action, if successful, might benefit our stockholders. The applicable courts may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. With respect to the provision making the Delaware Court of Chancery the sole and exclusive forum for certain types of actions, stockholders who do bring a claim in the Delaware Court of Chancery could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near Delaware. Finally, if a court were to find this provision of our bylaws inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could have a material adverse effect on us.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock.

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404 of the Sarbanes-Oxley Act, or any subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

We are required to disclose changes made in our internal controls and procedures on a quarterly basis and our management is required to assess the effectiveness of these controls annually. However, for as long as we are a "non-accelerated filer" under SEC rules, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404. An independent assessment of the effectiveness of our internal controls could detect problems that our management's assessment might not. Undetected material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation.

We incur significant costs as a result of operating as a public company and our management expects to devote substantial time to public company compliance programs.

As a public company, we incur significant legal, accounting and other expenses due to our compliance with regulations and disclosure obligations applicable to us, including compliance with the Sarbanes-Oxley Act as well as rules implemented by the SEC and Nasdaq. The SEC and other regulators have continued to adopt new rules and regulations and make additional changes to existing regulations that require our compliance. In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, was enacted. There are significant corporate governance and executive compensation related provisions in the Dodd-Frank Act that have required the SEC to adopt additional rules and regulations in these areas. Stockholder activism, the current political environment, and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact, in ways we cannot currently anticipate, the manner in which we operate our business. Our management and other personnel devote a substantial amount of time to these compliance programs and monitoring of public company reporting obligations and, as a result of the new corporate governance and executive compensation related rules, regulations, and guidelines prompted by the Dodd-Frank Act and further regulations and disclosure obligations expected in the future, we will likely need to devote additional time and costs to comply with such compliance programs and rules. These rules and regulations cause us to incur significant legal and financial compliance costs and make some activities more time-consuming and costly.

To comply with the requirements of being a public company, we may need to undertake various activities, including implementing new internal controls and procedures and hiring new accounting or internal audit staff. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that information required to be disclosed in reports under the Exchange Act, is accumulated and communicated to our principal executive and financial officers. Our current controls and any new controls that we develop may become inadequate and weaknesses in our internal control over financial reporting may be discovered in the future.

Any failure to develop or maintain effective controls could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting which we may be required to include in our periodic reports we will file with the SEC under Section 404 of the Sarbanes-Oxley Act, harm our operating results, cause us to fail to meet our reporting obligations, or result in a restatement of our prior period financial statements. In the event that we are not able to demonstrate compliance with the Sarbanes-Oxley Act, that our internal control over financial reporting is perceived as inadequate or that we are unable to produce timely or accurate financial statements, investors may lose confidence in our operating results and the price of our common stock could decline. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on The Nasdaq Capital Market.

We are not currently required to comply with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act, and are therefore not yet required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. However, we are required to comply with certain of these rules, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting commencing with our next annual report. This assessment will need to include the disclosure of any material weaknesses in our internal control over financial reporting identified by our management or our independent registered public accounting firm. We are just beginning the costly and challenging process of compiling the system and processing documentation needed to comply with such requirements. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective.

Raising additional capital, including through future sales and issuances of our common stock, the exercise of warrants or the exercise of rights to purchase common stock pursuant to our equity incentive plan could result in additional dilution of the percentage ownership of our stockholders, could cause our share price to fall and could restrict our operations.

We expect that significant additional capital will be needed in the future to continue our planned operations, including any potential acquisitions, purchasing of capital equipment, hiring new personnel, and continuing activities as an operating public company. To the extent we seek additional capital through a combination of public and private equity offerings and debt financings, our stockholders may experience substantial dilution. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our existing stockholders may be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of our stockholders. Debt and receivables financings may be coupled with an equity component, such as warrants to purchase shares of our common stock, which could also result in dilution of our existing stockholders' ownership. The incurrence of indebtedness would result in increased fixed payment obligations and could also result in certain restrictive covenants, such as limitations on our ability to incur additional debt and other operating restrictions that could adversely impact our ability to conduct our business. A failure to obtain adequate funds may cause us to curtail certain operational activities, including sales and marketing, in order to reduce costs and sustain the business, and would have a material adverse effect on our business and financial condition.

On July 27, 2026, the Company entered into a Common Stock Purchase Agreement and a related Registration Rights Agreement with an affiliate of Roth Capital Partners establishing a committed equity facility (the "ELOC") that provides for the sale, from time to time and at the Company's option, of up to $25,000 of Common Stock, subject to the effectiveness of a resale registration statement and to volume, 4.99% beneficial-ownership and 19.99% Nasdaq exchange-cap limitations and the pricing/Base Price mechanics of that agreement. The Company filed a registration statement on Form S-1 (File No. 333-297749) covering the resale of shares issuable under the ELOC.

As of November 23, 2026, the Company sold 776,148 Shares pursuant to the ELOC agreement.

Under our 2026 Omnibus Stock Incentive Plan, we may grant equity awards covering up to 750,000 shares of our common stock. As of September 30, 2026, we have not issued any shares under the 2026 Incentive Plan. Under the 2016 Omnibus Incentive Plan which expired in July 2026, we have issued and outstanding options to purchase an aggregate of 12,858 shares of common stock as of September 30, 2026. The conversion of such options into common shares or new issuances under the 2026 plan may result in material dilution to our existing stockholders, which could cause our share price to fall.

Our issuance of shares of preferred stock could adversely affect the market value of our common stock, dilute the voting power of common stockholders and delay or prevent a change of control.

Our board of directors has the authority to cause us to issue, without any further vote or action by the stockholders, up to 5,000,000 shares of preferred stock in one or more series, to designate the number of shares constituting any series, and to fix the rights, preferences, privileges and restrictions thereof, including dividend rights, voting rights, rights and terms of redemption, redemption price or prices and liquidation preferences of such series.

The issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. For example, investors in the common stock may not wish to purchase common stock at a price above the conversion price of a series of convertible preferred stock because the holders of the preferred stock would effectively be entitled to purchase common stock at the lower conversion price causing economic dilution to the holders of common stock.

Further, the issuance of shares of preferred stock with voting rights may adversely affect the voting power of the holders of our other classes of voting stock either by diluting the voting power of our other classes of voting stock if they vote together as a single class, or by giving the holders of any such preferred stock the right to block an action on which they have a separate class vote even if the action were approved by the holders of our other classes of voting stock. The issuance of shares of preferred stock may also have the effect of delaying, deferring or preventing a change in control of our company without further action by the stockholders, even where stockholders are offered a premium for their shares.

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

Except below and as previously reported on the Company's Current Reports on Form 8-K, the information required by this Item regarding unregistered sales of equity securities during the quarter ended September 30, 2026 (including the shares of Common Stock issued to Mammoth Crest Capital, LLC and the convertible notes issued to CFI Capital LLC and Monroe Street Capital Partners, LP) is set forth in Note 6 and Note 9 to the condensed financial statements and is incorporated herein by reference.

On April 28, 2026, the Company entered into a management consulting and advisory services agreement with ConnectM Technology Solutions, Inc. ("ConnectM"), pursuant to which the Company issued 40,000 shares of common stock to ConnectM on July 16, 2026 as partial consideration of the services being provided by ConnectM. The shares were issued in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act.

ITEM 3. Defaults Upon Senior Securities

As described in Note 4 to the condensed financial statements and under "Liquidity and Capital Resources—Credit Facility" in Part I, Item 2, the Company is in default under its Loan and Security Agreement with Pinnacle Bank (the "Loan Agreement"). Events of Default under the Loan Agreement include the Company's failure to maintain the required minimum effective tangible net worth and the Company's incurrence of indebtedness under the convertible notes issued to CFI Capital LLC, Monroe Street Capital Partners, LP and Mayers Ventures LLC in breach of Section 7.1 of the Loan Agreement, which constitute Events of Default under Section 8.2 of the Loan Agreement. The Company did not repay the outstanding obligations by September 30, 2026, the termination date of the forbearance period. As of September 30, 2026, the total arrearage under the Loan Agreement, consisting of the outstanding principal, interest, fees and financing costs, was $1,568, and as of November 23, 2026 was approximately $939.

ITEM 4. Mine Safety Disclosure.

Not applicable.

ITEM 5. Other Information

During the three months ended September 30, 2026, none of the Company's directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

ITEM 6. Exhibits

Reference is made to the exhibits listed on the Index to Exhibits.

INDEX TO EXHIBITS

Exhibit Number	Description
3.1	Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed with the SEC on July 16, 2026)
3.2	Certificate of Correction of the Certificate of Designations, Rights and Limitations of Series A Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 of the Current Report on Form 8-K filed with the SEC on July 27, 2026)
4.1	Common Stock Purchase Warrants issued to LU2 Holdings LLC (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed with the SEC on July 27, 2026)
4.2	Common Stock Purchase Warrants issued to Mayers Ventures LLC (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed with the SEC on July 27, 2026)
4.3	Form of Common Stock Purchase Warrant issued to each of CL Investment Group LLC and LU2 Holdings LLC (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed with the SEC on August 11, 2026)
4.4	Form of Convertible Note, dated August 28, 2026 (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the SEC on August 28, 2026)
4.5	Common Stock Purchase Warrants issued to Arthur Sams (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed with the SEC on September 28, 2026)
4.6	Common Stock Purchase Warrants issued to LU2 Holdings LLC, dated October 13, 2026
4.7	Common Stock Purchase Warrants issued to LU2 Holdings LLC, dated October 19, 2026
4.8	Common Stock Purchase Warrant issued to AstraBridge Inc., dated October 22, 2026
4.9	Promissory Note, dated November 5, 2026, issued to Vanquish Funding Group Inc.
4.10	Amendment No. 1, dated November 16, 2026, to 6% Convertible Redeemable Note issued to CFI Capital LLC
10.1	Securities Purchase Agreement for Series A Convertible Preferred Stock dated July 21, 2026, by and among Polar Power, Inc. and LU2 Holdings LLC (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the SEC on July 27, 2026)
10.2	Registration Rights Agreement, dated July 21, 2026, by and among Polar Power, Inc. and LU2 Holdings LLC (incorporated by reference to Exhibit 10.4 of the Current Report on Form 8-K filed with the SEC on July 27, 2026)
10.3	Consent, Acknowledgment and First Amendment to Convertible Promissory Note, dated July 21, 2026, by and among Polar Power, Inc. and Mayers Ventures LLC (incorporated by reference to Exhibit 10.5 of the Current Report on Form 8-K filed with the SEC on July 27, 2026)
10.4	Consent, Waiver and First Amendment, dated July 21, 2026, by and among Polar Power, Inc. and LU2 Holdings LLC (incorporated by reference to Exhibit 10.6 of the Current Report on Form 8-K filed with the SEC on July 27, 2026)
10.5	Common Stock Purchase Agreement, dated as of July 27, 2026, between Polar Power, Inc. and Roth Principal Investments, LLC (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the SEC on July 27, 2026)
10.6	Registration Rights Agreement, dated as of July 27, 2026, between Polar Power, Inc. and Roth Principal Investments, LLC (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K filed with the SEC on July 27, 2026)
10.7	Business Consultant Agreement, dated July 21, 2026, by and among Polar Power, Inc. and LU2 Holdings LLC (incorporated by reference to Exhibit 10.7 of the Current Report on Form 8-K filed with the SEC on July 27, 2026)
10.8	Form of Securities Purchase Agreement, by and between Polar Power, Inc. and each of CL Investment Group LLC and LU2 Holdings LLC (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the SEC on August 11, 2026)
10.9	Form of Registration Rights Agreement by and between Polar Power, Inc. and each of CL Investment Group LLC and LU2 Holdings LLC (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K filed with the SEC on August 11, 2026)
10.10	Notice of Additional Events and Defaults and Modifications to Forbearance Agreement and Loan Documents, effective July 31, 2026, between the Registrant and Pinnacle Bank
10.11	Exchange Agreement dated September 23, 2026 by and between Polar Power, Inc. and Arthur Sams (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K filed with the SEC on September 28, 2026)

10.12	Exchange Agreement, dated October 22, 2026, between Polar Power, Inc. and Arthur Sams
10.13	Securities Purchase Agreement, dated November 5, 2026, between Polar Power, Inc. and Vanquish Funding Group Inc.
10.14	Securities Purchase Agreement for Series A Convertible Preferred Stock, dated October 13, 2026, between Polar Power, Inc. and LU2 Holdings LLC
10.15	Registration Rights Agreement, dated October 13, 2026, by and among Polar Power, Inc. and LU2 Holdings LLC
10.16	Securities Purchase Agreement for Series A Convertible Preferred Stock, dated October 19, 2026, between Polar Power, Inc. and LU2 Holdings LLC
31.1	Certification Required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification Required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.3	Certification Required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Co-Chief Executive Officers and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 23, 2026

POLAR POWER, INC.

By: */s/ Arthur D. Sams*
Arthur D. Sams
Co-Chief Executive Officer, President and Secretary (Co-Principal Executive Officer)

By: */s/ Chris Mayer*
Chris Mayer Co-Chief Executive Officer (Co-Principal Executive Officer)

By: */s/ Luis Zavala*
Luis Zavala
Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 4.6

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON STOCK PURCHASE WARRANT
POLAR POWER, INC.

Warrant Shares: 188,636 Issue Date: October 13, 2026

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, LU2 Holdings LLC or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on October 13, 2029 (the "Termination Date") but not thereafter, to subscribe for and purchase from Polar Power, Inc., a Delaware corporation (the "Company"), up to 188,636 shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Purchase Agreement"), dated October 13, 2026, by and among the Company and LU2 Holdings LLC, as purchaser under the Purchase Agreement (the "Purchaser").

2. Exercise.

a. Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed PDF copy submitted by e- mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) one Trading Day and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof. For purposes hereof, a "Trading Day" means a day on which the Common Stock is traded on a Trading Market and "Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the City of New York are authorized or required by law to remain closed.

b. Exercise Price. The exercise price per share of Common Stock under this Warrant shall be $1.10, subject to adjustment hereunder (the "Exercise Price").

c. Cashless Exercise. Notwithstanding anything contained herein to the contrary (other than Section 2(e) below), if at the time of exercise hereof a registration statement is not effective (or the prospectus contained therein is not available for use) for the resale by the Holder of all of the Warrant Shares, the Holder may, in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Exercise Price, elect instead to receive upon such exercise the "Net Number" of shares of Common Stock determined according to the following formula (a "Cashless Exercise"):

For purposes of the foregoing formula:

A = the total number of shares with respect to which this Warrant is then being exercised.

B = 92.5% of the VWAP of the Common Stock on the Trading Day immediately preceding the date of the applicable Cashless Exercise.

C = the Exercise Price then in effect for the applicable Warrant Shares at the time of such Cashless Exercise.

For purposes of Rule 144(d) promulgated under the Securities Act, as in effect on the date hereof, assuming the Holder is not an affiliate of the Company, it is intended that the Warrant Shares issued in a Cashless Exercise shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the closing date of the offering pursuant to which the Company was obligated to issue this Warrant.

d. Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the transfer agent for the Company (the "Transfer Agent") to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144, and otherwise by crediting the Holder's or its designee's account at the Transfer Agent, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the date that is the earlier of (i) one Trading Day after delivery of the aggregate Exercise Price to the Company and (ii) the number of Trading Days comprising the Standard Settlement Period, in each case after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price is received within the earlier of (i) one Trading Day and (ii) the number of Trading Days comprising the Standard Settlement Period, in each case, following delivery to the Company of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), $10 per calendar month after such Warrant Share Delivery Date until such Warrant Shares are delivered or the Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. The Company shall at all times maintain expedited (same-day or next-Business-Day) issuance and transfer processing with its Transfer Agent, and shall pay any fees required for such expedited processing (including any applicable expedite fee), in each case as necessary to effect delivery of the Warrant Shares within the time periods required by this Section 2(d); and no delay in delivery attributable to the transfer agent's standard (non-expedited) processing time shall reduce the Company's obligations under this Section 2(d). As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary trading market upon which the Common Stock may then be listed (the "Trading Market") with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

(ii) Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

(iv) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(v) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, that, in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares. The Company shall not withhold taxes on the issuance of Warrant Shares except to the extent required by applicable law. If any withholding is required, the Company shall permit the Holder to satisfy such withholding by cashless exercise and/or withholding from the Warrant Shares otherwise deliverable upon exercise, and shall use commercially reasonable efforts to minimize any such withholding consistent with applicable law.

(vi) Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e. Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Securities and Exchange Commission (the "Commission"), as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant. Notwithstanding anything to the contrary herein, the Company shall not effect any exercise of this Warrant, and the Holder shall not have the right to exercise any portion hereof, to the extent that, after giving effect to the issuance of Warrant Shares hereunder, the aggregate number of shares of Common Stock issued pursuant to this Warrant and the other Transaction Documents would require Stockholder Approval under the rules of The Nasdaq Stock Market, unless and until such Stockholder Approval is obtained (the "Exchange Cap Limitation"). Any Warrant Shares otherwise issuable but not issued as a result of the Exchange Cap Limitation shall be held in abeyance and issuable upon written notice from the Holder at such time as such issuance would not breach the Exchange Cap Limitation.

3. Certain Adjustments.

a. Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b. Voluntary Reduction. Subject to the rules and regulations of the Nasdaq Capital Market, the Company from time to time may reduce the Exercise Price by any amount for any period of time (including, without limitation, permanently) if the period is at least 20 days and if the reduction is irrevocable during the period. Whenever the Exercise Price is reduced, the Company shall mail to the Holders a notice of the reduction. The Company shall mail the notice at least 15 days before the date the reduced Exercise Price takes effect. The notice shall state the reduced Exercise Price and the period it will be in effect.

c. Adjustment Upon Issuance of Common Stock. If, during the Restricted Period (as defined in the Purchase Agreement), the Company effects a Subsequent Financing (as defined in the Purchase Agreement), or in accordance with this Section 3 is deemed to have effected a Subsequent Financing, any Common Stock (including the issuance or sale of Common Stock owned or held by or for the account of the Company) issued or sold or deemed to have been issued or sold for a consideration per share (the "New Issuance Price") less than a price equal to the Exercise Price in effect immediately prior to such issue or sale or deemed issuance or sale (such Exercise Price then in effect is referred to as the "Applicable Price") (the foregoing a "Dilutive Issuance"), then immediately after such Dilutive Issuance, the Exercise Price then in effect shall be reduced (and in no event increased) to the price per share as determined in accordance with the following formula:

$$EP2 = EP1 \times (A + B) / (A + C)$$

For purposes of the foregoing formula:

A = The total number of shares of Common Stock outstanding, on a fully-diluted basis, immediately prior to such Dilutive Issuance.

B = The total number of shares of Common Stock that would be issued or issuable under the Dilutive Issuance if issued at a per share price equal to EP1.

C = The total number of shares of Common Stock actually issued or issuable under the Dilutive Issuance.

EP1 = The Exercise Price in effect immediately prior to a Dilutive Issuance.

EP2 = The Exercise Price immediately after such Dilutive Issuance; provided, that such price shall in no event be less than $0.67 per share of Common Stock (as may be adjusted for stock dividends, subdivisions, or combinations in the manner described in Section 3(a) herein, the "Floor Price"); provided, that if such issuance or sale (or deemed issuance or sale) was without consideration, then the Company shall be deemed to have received the Floor Price for each such share so issued or deemed to be issued.

For all purposes of the foregoing (including, without limitation, determining the adjusted Exercise Price and consideration per share under this Section 3(c)), the following shall be applicable.

(i) Issuance of Options. If, during the Restricted Period, the Company in any manner grants or sells any Options and the lowest price per share for which one share of Common Stock is issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option is less than the Applicable Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the granting or sale of such Option for such price per share. For purposes of this Section 3(c)(i), the "lowest price per share for which one share of Common Stock is issuable upon the exercise of any such Options or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option" shall be equal to (A) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one share of Common Stock upon the granting or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option minus (B) the sum of all amounts paid or payable to the holder of such Option (or any other Person) upon the granting or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Option (or any other Person). Except as contemplated below, no further adjustment of the Exercise Price shall be made upon the actual issuance of such Common Stock or of such Convertible Securities upon the exercise of such Options or upon the actual issuance of such Common Stock upon conversion, exercise or exchange of such Convertible Securities.

(ii) Issuance of Convertible Securities. If, during the Restricted Period, the Company in any manner issues or sells any Convertible Securities and the lowest price per share for which one share of Common Stock is issuable upon the conversion, exercise or exchange thereof is less than the Applicable Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this Section 3(c)(ii), the "lowest price per share for which one share of Common Stock is issuable upon the conversion, exercise or exchange thereof" shall be equal to (A) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one share of Common Stock upon the issuance or sale of the Convertible Security and upon conversion, exercise or exchange of such Convertible Security minus (B) the sum of all amounts paid or payable to the holder of such Convertible Security (or any other Person) upon the issuance or sale of such Convertible Security plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Convertible Security (or any other Person). Except as contemplated below, no further adjustment of the Exercise Price shall be made upon the actual issuance of such Common Stock upon conversion, exercise or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Options for which adjustment of this Warrant has been or is to be made pursuant to other provisions of this Section 3(c), except as contemplated below, no further adjustment of the Exercise Price shall be made by reason of such issue or sale.

(iii) Change in Option Price or Rate of Conversion. If, during the Restricted Period, the purchase or exercise price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion, exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exercisable or exchangeable for Common Stock increases or decreases at any time, the Exercise Price in effect at the time of such increase or decrease shall be adjusted to the Exercise Price which would have been in effect at such time had such Options or Convertible Securities provided for such increased or decreased purchase price, additional consideration or increased or decreased conversion rate, as the case may be, at the time initially granted, issued or sold. For purposes of this Section 3(c)(iii), if the terms of any Option or Convertible Security that was outstanding as of the date of issuance of this Warrant are increased or decreased in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the Common Stock deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such increase or decrease. No adjustment pursuant to this Section 3(c) shall be made if such adjustment would result in an increase of the Exercise Price then in effect.

(iv) Calculation of Consideration Received. If, during the Restricted Period, any Option or Convertible Security is issued in connection with the issuance or sale or deemed issuance or sale of any other securities of the Company, together comprising one integrated transaction, (A) such Option or Convertible Security (as applicable) will be deemed to have been issued for consideration equal to the sum of (i) the consideration, if any, received by the Company for the issuance of such Option or Convertible Security, plus (ii) the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise, conversion or exchange thereof and (B) the other securities issued or sold or deemed to have been issued or sold in such integrated transaction shall be deemed to have been issued for consideration equal to the difference of (1) the aggregate consideration received by the Company, minus (2) the consideration attributed to each such Option or Convertible Security (as applicable) as determined under clause (A) above. If any Common Stock, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor will be deemed to be the net amount of consideration received by the Company therefor. If any Common Stock, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of such consideration received by the Company will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Company for such securities will be the arithmetic average of the VWAPs of such security for each of the five Trading Days immediately preceding the date of receipt. If any Common Stock, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such Common Stock, Options or Convertible Securities, as the case may be. The fair value of any consideration other than cash or publicly traded securities will be determined jointly by the Company and the Holder. If such parties are unable to reach agreement within ten days after the occurrence of an event requiring valuation (the "Valuation Event"), the fair value of such consideration will be determined within five Trading Days after the tenth day following such Valuation Event by an independent, reputable appraiser jointly selected by the Company and the Holder. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

(v) Record Date. If, during the Restricted Period, the Company takes a record of the holders of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock, Options or in Convertible Securities or (B) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date will be deemed to be the date of the issue or sale of the Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase (as the case may be).

d. Other Events. In the event that the Company shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect the Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 3 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's board of directors shall in good faith determine and implement an appropriate adjustment in the Exercise Price and the number of Warrant Shares (if applicable) so as to protect the rights of the Holder; provided, that no such adjustment pursuant to this Section 3(d) will increase the Exercise Price or decrease the number of Warrant Shares as otherwise determined pursuant to this Section 3; provided, further, that if the Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Company's board of directors and the Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by the Company.

e. Permitted Facilities. Notwithstanding anything to the contrary in this Section 3 or elsewhere in this Warrant, none of (i) the Company's entry into, establishment or maintenance of, or performance of its obligations under, or (ii) the offer, issuance or sale of any shares of Common Stock or Common Stock Equivalents (including any commitment shares, fee shares or shares issued or issuable to any placement agent or qualified independent underwriter in connection therewith) pursuant to, either Permitted Facility shall (A) constitute or be deemed a Subsequent Financing, a Dilutive Issuance, or an issuance or sale (or deemed issuance or sale) of Common Stock for purposes of this Section 3, (B) result in any adjustment or reduction of the Exercise Price or any increase in the number of Warrant Shares, or (C) constitute a breach or violation of, or a default under, this Warrant (including, without limitation, Section 5(d) hereof). For purposes hereof, "Permitted Facilities" means, collectively, (1) the committed equity facility of up to $25,000,000 established or to be established by the Company with Roth Principal Investments, LLC or its affiliates, providing for the purchase of shares of Common Stock (the "CEF"), and (2) the Company's at-the-market offering facility with ThinkEquity LLC (the "ATM"), in each case including any related purchase agreement, sales agreement, registration statement, prospectus, prospectus supplement and other documentation, and any amendment, restatement, supplement or replacement thereof, in each case entered into in furtherance of the Company's restructuring, recapitalization or refinancing of its indebtedness. The Holder's acceptance of this Warrant constitutes the Holder's irrevocable consent to, and waiver of any adjustment or other right arising under this Warrant in respect of, each Permitted Facility, and no separate consent or waiver shall be required in connection therewith.

f. Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company (or any Subsidiary), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock or 50% or more of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock or 50% or more of the voting power of the common equity of the Company (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(c) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

g. Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

h. Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

(ii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company (or any of its Subsidiaries) is a party, any sale or transfer of all or substantially all of its assets, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided, that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein. For the avoidance of doubt, solely for purposes of determining the Holder's entitlement to any distribution (including any cash dividend, return of capital, or distribution of proceeds from any asset disposition), the Holder shall be deemed to have exercised this Warrant (without regard to any Beneficial Ownership Limitation) immediately prior to the applicable record date, and the Company shall, on the payment date of such distribution, deliver to the Holder the same consideration per Warrant Share as would have been payable to a holder of Common Stock as of such record date; provided, that, to the extent delivery in kind would result in the Holder exceeding the Beneficial Ownership Limitation, the excess portion shall be paid in cash or held in abeyance (with respect to non-cash consideration, in trust or escrow or by delivering equivalent value in cash) until such delivery would not result in the Holder exceeding the Beneficial Ownership Limitation.

4. Transfer of Warrant.

a. Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof and to the provisions of Section 4.1 of the Purchase Agreement, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b. New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the original Issue Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c. Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d. Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, deliver an unqualified opinion of counsel issued to the Company and reasonably acceptable to the Company.

e. Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

5. Miscellaneous.

a. No Rights as Stockholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. In no event shall the Company be required to net cash settle an exercise of this Warrant. It is the intention of the Company and the Holder that this Warrant be classified as an instrument within stockholders' equity of the Company for accounting purposes, and the parties shall not take any position inconsistent with such treatment except to the extent otherwise required by the Company's independent registered public accounting firm or by applicable law.

b. Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

d. Authorized Shares.

(i) The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock, solely for the purpose of effecting the exercise of this Warrant, a number of shares of Common Stock at least equal to the number of Warrant Shares then issuable upon exercise of this Warrant in full (or, if less, the maximum number of shares of Common Stock that are then authorized but unissued and not otherwise reserved for issuance), in accordance with the Company's obligations under Section 4.16 of the Purchase Agreement. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

(ii) Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Notwithstanding the foregoing, none of (i) the redomestication, conversion or continuance of the Company from the State of Delaware to the State of Nevada (the "Redomestication"), or (ii) any amendment, restatement, replacement or adoption of the Company's certificate of incorporation, bylaws or other organizational or governing documents solely to the extent necessary to effect the Redomestication, shall be deemed to avoid or seek to avoid, or otherwise to violate or breach, this Section, so long as (A) the Company remains the same legal entity (or its direct successor by operation of law in the Redomestication) and the Redomestication does not constitute a Fundamental Transaction; (B) this Warrant remains in full force and effect on the same terms, and the Redomestication and any related changes to the Company's organizational or governing documents do not impair, reduce or otherwise adversely affect the rights, preferences or economic benefits of the Holder under this Warrant, including, but not limited to, the Exercise Price, the number of Warrant Shares and the adjustment, anti-dilution and reset provisions of Section 3; (C) the Company's post-Redomestication organizational and governing documents contain no provision that conflicts with, or would impair the Company's ability to perform, its obligations under this Warrant; and (D) the Company has reserved, and continues to reserve, a number of shares sufficient to satisfy its obligations under Section 5(d)(i). Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use its best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

(iii) Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e. Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.

f. Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

g. Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies, notwithstanding the fact that the right to exercise this Warrant terminates on the Termination Date. Without limiting any other provision of this Warrant or the Purchase Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h. Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

i. Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j. Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k. Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l. Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

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

n. Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

6. Certain Definitions. For purposes of this Warrant, the following terms shall have the following meanings:

a. "Convertible Securities" means any capital stock or other security of the Company that is at any time and under any circumstances directly or indirectly convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any capital stock or other security of the Company (including, without limitation, Common Stock).

b. "Options" means any rights, warrants or options to subscribe for or purchase Common Stock or Convertible Securities.

c. "Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

d. "VWAP" means, for any security as of any date, the dollar volume-weighted average price for such security on the principal securities exchange or securities market on which such security is then traded during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg through its "Volume at Price" function or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the three highest closing bid prices and the three lowest closing ask prices of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13 of the Securities Purchase Agreement. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the Issue Date first above indicated.

POLAR POWER, INC.

By: /s/ Arthur D. Sams
Name: Arthur D. Sams
Title: Chief Executive Officer

[Signature Page to Common Stock Purchase Warrant]

NOTICE OF EXERCISE

TO: POLAR POWER, INC.

1. The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

2. Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

3. Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number

_____

_____

_____

4. Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to:

Name:

Address:

Phone Number:

Email Address:

Dated: _____

Holder's Signature: _____

Holder's Address: _____

Exhibit 4.7

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON STOCK PURCHASE WARRANT
POLAR POWER, INC.

Warrant Shares: 165,476 Issue Date: October 19, 2026

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, LU2 Holdings LLC or its assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on October 19, 2029 (the "Termination Date") but not thereafter, to subscribe for and purchase from Polar Power, Inc., a Delaware corporation (the "Company"), up to 165,476 shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Securities Purchase Agreement (the "Purchase Agreement"), dated October 19, 2026, by and among the Company and LU2 Holdings LLC, as purchaser under the Purchase Agreement (the "Purchaser").

2. Exercise.

a. Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed PDF copy submitted by e- mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) one Trading Day and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof. For purposes hereof, a "Trading Day" means a day on which the Common Stock is traded on a Trading Market and "Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the City of New York are authorized or required by law to remain closed.

b. Exercise Price. The exercise price per share of Common Stock under this Warrant shall be $0.84, subject to adjustment hereunder (the "Exercise Price").

c. Cashless Exercise. Notwithstanding anything contained herein to the contrary (other than Section 2(e) below), if at the time of exercise hereof a registration statement is not effective (or the prospectus contained therein is not available for use) for the resale by the Holder of all of the Warrant Shares, the Holder may, in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Exercise Price, elect instead to receive upon such exercise the "Net Number" of shares of Common Stock determined according to the following formula (a "Cashless Exercise"):

For purposes of the foregoing formula:

A = the total number of shares with respect to which this Warrant is then being exercised.

B = 92.5% of the VWAP of the Common Stock on the Trading Day immediately preceding the date of the applicable Cashless Exercise.

C = the Exercise Price then in effect for the applicable Warrant Shares at the time of such Cashless Exercise.

For purposes of Rule 144(d) promulgated under the Securities Act, as in effect on the date hereof, assuming the Holder is not an affiliate of the Company, it is intended that the Warrant Shares issued in a Cashless Exercise shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the closing date of the offering pursuant to which the Company was obligated to issue this Warrant.

d. Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the transfer agent for the Company (the "Transfer Agent") to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144, and otherwise by crediting the Holder's or its designee's account at the Transfer Agent, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the date that is the earlier of (i) one Trading Day after delivery of the aggregate Exercise Price to the Company and (ii) the number of Trading Days comprising the Standard Settlement Period, in each case after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price is received within the earlier of (i) one Trading Day and (ii) the number of Trading Days comprising the Standard Settlement Period, in each case, following delivery to the Company of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), $10 per calendar month after such Warrant Share Delivery Date until such Warrant Shares are delivered or the Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. The Company shall at all times maintain expedited (same-day or next-Business-Day) issuance and transfer processing with its Transfer Agent, and shall pay any fees required for such expedited processing (including any applicable expedite fee), in each case as necessary to effect delivery of the Warrant Shares within the time periods required by this Section 2(d); and no delay in delivery attributable to the transfer agent's standard (non-expedited) processing time shall reduce the Company's obligations under this Section 2(d). As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary trading market upon which the Common Stock may then be listed (the "Trading Market") with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

(ii) Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

(iv) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(v) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, that, in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares. The Company shall not withhold taxes on the issuance of Warrant Shares except to the extent required by applicable law. If any withholding is required, the Company shall permit the Holder to satisfy such withholding by cashless exercise and/or withholding from the Warrant Shares otherwise deliverable upon exercise, and shall use commercially reasonable efforts to minimize any such withholding consistent with applicable law.

(vi) Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e. Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Securities and Exchange Commission (the "Commission"), as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant. Notwithstanding anything to the contrary herein, the Company shall not effect any exercise of this Warrant, and the Holder shall not have the right to exercise any portion hereof, to the extent that, after giving effect to the issuance of Warrant Shares hereunder, the aggregate number of shares of Common Stock issued pursuant to this Warrant and the other Transaction Documents would require Stockholder Approval under the rules of The Nasdaq Stock Market, unless and until such Stockholder Approval is obtained (the "Exchange Cap Limitation"). Any Warrant Shares otherwise issuable but not issued as a result of the Exchange Cap Limitation shall be held in abeyance and issuable upon written notice from the Holder at such time as such issuance would not breach the Exchange Cap Limitation.

3. Certain Adjustments.

a. Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b. Voluntary Reduction. Subject to the rules and regulations of the Nasdaq Capital Market, the Company from time to time may reduce the Exercise Price by any amount for any period of time (including, without limitation, permanently) if the period is at least 20 days and if the reduction is irrevocable during the period. Whenever the Exercise Price is reduced, the Company shall mail to the Holders a notice of the reduction. The Company shall mail the notice at least 15 days before the date the reduced Exercise Price takes effect. The notice shall state the reduced Exercise Price and the period it will be in effect.

c. Adjustment Upon Issuance of Common Stock. If, during the Restricted Period (as defined in the Purchase Agreement), the Company effects a Subsequent Financing (as defined in the Purchase Agreement), or in accordance with this Section 3 is deemed to have effected a Subsequent Financing, any Common Stock (including the issuance or sale of Common Stock owned or held by or for the account of the Company) issued or sold or deemed to have been issued or sold for a consideration per share (the "New Issuance Price") less than a price equal to the Exercise Price in effect immediately prior to such issue or sale or deemed issuance or sale (such Exercise Price then in effect is referred to as the "Applicable Price") (the foregoing a "Dilutive Issuance"), then immediately after such Dilutive Issuance, the Exercise Price then in effect shall be reduced (and in no event increased) to the price per share as determined in accordance with the following formula:

$$EP2 = EP1 \times (A + B) / (A + C)$$

For purposes of the foregoing formula:

A = The total number of shares of Common Stock outstanding, on a fully-diluted basis, immediately prior to such Dilutive Issuance.

B = The total number of shares of Common Stock that would be issued or issuable under the Dilutive Issuance if issued at a per share price equal to EP1.

C = The total number of shares of Common Stock actually issued or issuable under the Dilutive Issuance.

EP1 = The Exercise Price in effect immediately prior to a Dilutive Issuance.

EP2 = The Exercise Price immediately after such Dilutive Issuance; provided, that such price shall in no event be less than $0.67 per share of Common Stock (as may be adjusted for stock dividends, subdivisions, or combinations in the manner described in Section 3(a) herein, the "Floor Price"); provided, that if such issuance or sale (or deemed issuance or sale) was without consideration, then the Company shall be deemed to have received the Floor Price for each such share so issued or deemed to be issued.

For all purposes of the foregoing (including, without limitation, determining the adjusted Exercise Price and consideration per share under this Section 3(c)), the following shall be applicable.

(i) Issuance of Options. If, during the Restricted Period, the Company in any manner grants or sells any Options and the lowest price per share for which one share of Common Stock is issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option is less than the Applicable Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the granting or sale of such Option for such price per share. For purposes of this Section 3(c)(i), the "lowest price per share for which one share of Common Stock is issuable upon the exercise of any such Options or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option" shall be equal to (A) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one share of Common Stock upon the granting or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option minus (B) the sum of all amounts paid or payable to the holder of such Option (or any other Person) upon the granting or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Option (or any other Person). Except as contemplated below, no further adjustment of the Exercise Price shall be made upon the actual issuance of such Common Stock or of such Convertible Securities upon the exercise of such Options or upon the actual issuance of such Common Stock upon conversion, exercise or exchange of such Convertible Securities.

(ii) Issuance of Convertible Securities. If, during the Restricted Period, the Company in any manner issues or sells any Convertible Securities and the lowest price per share for which one share of Common Stock is issuable upon the conversion, exercise or exchange thereof is less than the Applicable Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this Section 3(c)(ii), the "lowest price per share for which one share of Common Stock is issuable upon the conversion, exercise or exchange thereof" shall be equal to (A) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one share of Common Stock upon the issuance or sale of the Convertible Security and upon conversion, exercise or exchange of such Convertible Security minus (B) the sum of all amounts paid or payable to the holder of such Convertible Security (or any other Person) upon the issuance or sale of such Convertible Security plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Convertible Security (or any other Person). Except as contemplated below, no further adjustment of the Exercise Price shall be made upon the actual issuance of such Common Stock upon conversion, exercise or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Options for which adjustment of this Warrant has been or is to be made pursuant to other provisions of this Section 3(c), except as contemplated below, no further adjustment of the Exercise Price shall be made by reason of such issue or sale.

(iii) Change in Option Price or Rate of Conversion. If, during the Restricted Period, the purchase or exercise price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion, exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exercisable or exchangeable for Common Stock increases or decreases at any time, the Exercise Price in effect at the time of such increase or decrease shall be adjusted to the Exercise Price which would have been in effect at such time had such Options or Convertible Securities provided for such increased or decreased purchase price, additional consideration or increased or decreased conversion rate, as the case may be, at the time initially granted, issued or sold. For purposes of this Section 3(c)(iii), if the terms of any Option or Convertible Security that was outstanding as of the date of issuance of this Warrant are increased or decreased in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the Common Stock deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such increase or decrease. No adjustment pursuant to this Section 3(c) shall be made if such adjustment would result in an increase of the Exercise Price then in effect.

(iv) Calculation of Consideration Received. If, during the Restricted Period, any Option or Convertible Security is issued in connection with the issuance or sale or deemed issuance or sale of any other securities of the Company, together comprising one integrated transaction, (A) such Option or Convertible Security (as applicable) will be deemed to have been issued for consideration equal to the sum of (i) the consideration, if any, received by the Company for the issuance of such Option or Convertible Security, plus (ii) the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise, conversion or exchange thereof and (B) the other securities issued or sold or deemed to have been issued or sold in such integrated transaction shall be deemed to have been issued for consideration equal to the difference of (1) the aggregate consideration received by the Company, minus (2) the consideration attributed to each such Option or Convertible Security (as applicable) as determined under clause (A) above. If any Common Stock, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor will be deemed to be the net amount of consideration received by the Company therefor. If any Common Stock, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of such consideration received by the Company will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Company for such securities will be the arithmetic average of the VWAPs of such security for each of the five Trading Days immediately preceding the date of receipt. If any Common Stock, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such Common Stock, Options or Convertible Securities, as the case may be. The fair value of any consideration other than cash or publicly traded securities will be determined jointly by the Company and the Holder. If such parties are unable to reach agreement within ten days after the occurrence of an event requiring valuation (the "Valuation Event"), the fair value of such consideration will be determined within five Trading Days after the tenth day following such Valuation Event by an independent, reputable appraiser jointly selected by the Company and the Holder. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

(v) Record Date. If, during the Restricted Period, the Company takes a record of the holders of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock, Options or in Convertible Securities or (B) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date will be deemed to be the date of the issue or sale of the Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase (as the case may be).

d. Other Events. In the event that the Company shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect the Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 3 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's board of directors shall in good faith determine and implement an appropriate adjustment in the Exercise Price and the number of Warrant Shares (if applicable) so as to protect the rights of the Holder; provided, that no such adjustment pursuant to this Section 3(d) will increase the Exercise Price or decrease the number of Warrant Shares as otherwise determined pursuant to this Section 3; provided, further, that if the Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Company's board of directors and the Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by the Company.

e. Permitted Facilities. Notwithstanding anything to the contrary in this Section 3 or elsewhere in this Warrant, none of (i) the Company's entry into, establishment or maintenance of, or performance of its obligations under, or (ii) the offer, issuance or sale of any shares of Common Stock or Common Stock Equivalents (including any commitment shares, fee shares or shares issued or issuable to any placement agent or qualified independent underwriter in connection therewith) pursuant to, either Permitted Facility shall (A) constitute or be deemed a Subsequent Financing, a Dilutive Issuance, or an issuance or sale (or deemed issuance or sale) of Common Stock for purposes of this Section 3, (B) result in any adjustment or reduction of the Exercise Price or any increase in the number of Warrant Shares, or (C) constitute a breach or violation of, or a default under, this Warrant (including, without limitation, Section 5(d) hereof). For purposes hereof, "Permitted Facilities" means, collectively, (1) the committed equity facility of up to $25,000,000 established or to be established by the Company with Roth Principal Investments, LLC or its affiliates, providing for the purchase of shares of Common Stock (the "CEF"), and (2) the Company's at-the-market offering facility with ThinkEquity LLC (the "ATM"), in each case including any related purchase agreement, sales agreement, registration statement, prospectus, prospectus supplement and other documentation, and any amendment, restatement, supplement or replacement thereof, in each case entered into in furtherance of the Company's restructuring, recapitalization or refinancing of its indebtedness. The Holder's acceptance of this Warrant constitutes the Holder's irrevocable consent to, and waiver of any adjustment or other right arising under this Warrant in respect of, each Permitted Facility, and no separate consent or waiver shall be required in connection therewith.

f. Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company (or any Subsidiary), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock or 50% or more of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock or 50% or more of the voting power of the common equity of the Company (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(c) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

g. Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

h. Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

(ii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company (or any of its Subsidiaries) is a party, any sale or transfer of all or substantially all of its assets, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided, that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein. For the avoidance of doubt, solely for purposes of determining the Holder's entitlement to any distribution (including any cash dividend, return of capital, or distribution of proceeds from any asset disposition), the Holder shall be deemed to have exercised this Warrant (without regard to any Beneficial Ownership Limitation) immediately prior to the applicable record date, and the Company shall, on the payment date of such distribution, deliver to the Holder the same consideration per Warrant Share as would have been payable to a holder of Common Stock as of such record date; provided, that, to the extent delivery in kind would result in the Holder exceeding the Beneficial Ownership Limitation, the excess portion shall be paid in cash or held in abeyance (with respect to non-cash consideration, in trust or escrow or by delivering equivalent value in cash) until such delivery would not result in the Holder exceeding the Beneficial Ownership Limitation.

4. Transfer of Warrant.

a. Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof and to the provisions of Section 4.1 of the Purchase Agreement, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b. New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the original Issue Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c. Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d. Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, deliver an unqualified opinion of counsel issued to the Company and reasonably acceptable to the Company.

e. Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

5. Miscellaneous.

a. No Rights as Stockholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. In no event shall the Company be required to net cash settle an exercise of this Warrant. It is the intention of the Company and the Holder that this Warrant be classified as an instrument within stockholders' equity of the Company for accounting purposes, and the parties shall not take any position inconsistent with such treatment except to the extent otherwise required by the Company's independent registered public accounting firm or by applicable law.

b. Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

d. Authorized Shares.

(i) The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock, solely for the purpose of effecting the exercise of this Warrant, a number of shares of Common Stock at least equal to the number of Warrant Shares then issuable upon exercise of this Warrant in full (or, if less, the maximum number of shares of Common Stock that are then authorized but unissued and not otherwise reserved for issuance), in accordance with the Company's obligations under Section 4.16 of the Purchase Agreement. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

(ii) Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Notwithstanding the foregoing, none of (i) the redomestication, conversion or continuance of the Company from the State of Delaware to the State of Nevada (the "Redomestication"), or (ii) any amendment, restatement, replacement or adoption of the Company's certificate of incorporation, bylaws or other organizational or governing documents solely to the extent necessary to effect the Redomestication, shall be deemed to avoid or seek to avoid, or otherwise to violate or breach, this Section, so long as (A) the Company remains the same legal entity (or its direct successor by operation of law in the Redomestication) and the Redomestication does not constitute a Fundamental Transaction; (B) this Warrant remains in full force and effect on the same terms, and the Redomestication and any related changes to the Company's organizational or governing documents do not impair, reduce or otherwise adversely affect the rights, preferences or economic benefits of the Holder under this Warrant, including, but not limited to, the Exercise Price, the number of Warrant Shares and the adjustment, anti-dilution and reset provisions of Section 3; (C) the Company's post-Redomestication organizational and governing documents contain no provision that conflicts with, or would impair the Company's ability to perform, its obligations under this Warrant; and (D) the Company has reserved, and continues to reserve, a number of shares sufficient to satisfy its obligations under Section 5(d)(i). Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use its best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

(iii) Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e. Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Purchase Agreement.

f. Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

g. Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies, notwithstanding the fact that the right to exercise this Warrant terminates on the Termination Date. Without limiting any other provision of this Warrant or the Purchase Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h. Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Purchase Agreement.

i. Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j. Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k. Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l. Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

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

n. Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

6. Certain Definitions. For purposes of this Warrant, the following terms shall have the following meanings:

a. "Convertible Securities" means any capital stock or other security of the Company that is at any time and under any circumstances directly or indirectly convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any capital stock or other security of the Company (including, without limitation, Common Stock).

b. "Options" means any rights, warrants or options to subscribe for or purchase Common Stock or Convertible Securities.

c. "Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

d. "VWAP" means, for any security as of any date, the dollar volume-weighted average price for such security on the principal securities exchange or securities market on which such security is then traded during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg through its "Volume at Price" function or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the three highest closing bid prices and the three lowest closing ask prices of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 13 of the Securities Purchase Agreement. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

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(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the Issue Date first above indicated.

POLAR POWER, INC.

By: /s/ Arthur D. Sams
Name: Arthur D. Sams
Title: Chief Executive Officer

[Signature Page to Common Stock Purchase Warrant]

NOTICE OF EXERCISE

TO: POLAR POWER, INC.

1. The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

2. Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

3. Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number

_____

_____

_____

4. Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to:

Name:

Address:

Phone Number:

Email Address:

Dated: _____

Holder's Signature: _____

Holder's Address: _____

Exhibit 4.8

NEITHER THIS SECURITY NOR THE SECURITIES FOR WHICH THIS SECURITY IS EXERCISABLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. THIS SECURITY AND THE SECURITIES ISSUABLE UPON EXERCISE OF THIS SECURITY MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN SECURED BY SUCH SECURITIES.

COMMON STOCK PURCHASE WARRANT
POLAR POWER, INC.

Warrant Shares: 100,798 Issue Date: October 22, 2026

THIS COMMON STOCK PURCHASE WARRANT (the "Warrant") certifies that, for value received, AstraBridge Inc. or his assigns (the "Holder") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time on or after the date hereof (the "Initial Exercise Date") and on or prior to 5:00 p.m. (New York City time) on October 22, 2029 (the "Termination Date") but not thereafter, to subscribe for and purchase from Polar Power, Inc., a Delaware corporation (the "Company"), up to 100,798 shares (as subject to adjustment hereunder, the "Warrant Shares") of Common Stock. The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price, as defined in Section 2(b).

1. Definitions. Capitalized terms used and not otherwise defined herein shall have the meanings set forth in that certain Exchange Agreement (the "Exchange Agreement"), dated October 22, 2026, by and among the Company and AstraBridge Inc., as the Holder under the Exchange Agreement .

2. Exercise.

a. Exercise of Warrant. Exercise of the purchase rights represented by this Warrant may be made, in whole or in part, at any time or times on or after the Initial Exercise Date and on or before the Termination Date by delivery to the Company of a duly executed PDF copy submitted by e- mail (or e-mail attachment) of the Notice of Exercise in the form annexed hereto (the "Notice of Exercise"). Within the earlier of (i) one Trading Day and (ii) the number of Trading Days comprising the Standard Settlement Period (as defined in Section 2(d)(i) herein) following the date of exercise as aforesaid, the Holder shall deliver the aggregate Exercise Price for the shares specified in the applicable Notice of Exercise by wire transfer or cashier's check drawn on a United States bank. No ink-original Notice of Exercise shall be required, nor shall any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise be required. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrant has been exercised in full, in which case, the Holder shall surrender this Warrant to the Company for cancellation within three Trading Days of the date on which the final Notice of Exercise is delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases. The Company shall deliver any objection to any Notice of Exercise within one Business Day of receipt of such notice. The Holder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Warrant Shares hereunder, the number of Warrant Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof. For purposes hereof, a "Trading Day" means a day on which the Common Stock is traded on a Trading Market and "Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the City of New York are authorized or required by law to remain closed.

b. Exercise Price. The exercise price per share of Common Stock under this Warrant shall be $0.61, subject to adjustment hereunder (the "Exercise Price").

c. Cashless Exercise. Notwithstanding anything contained herein to the contrary (other than Section 2(e) below), if at the time of exercise hereof a registration statement is not effective (or the prospectus contained therein is not available for use) for the resale by the Holder of all of the Warrant Shares, the Holder may, in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Exercise Price, elect instead to receive upon such exercise the "Net Number" of shares of Common Stock determined according to the following formula (a "Cashless Exercise"):

For purposes of the foregoing formula:

A = the total number of shares with respect to which this Warrant is then being exercised.

B = 92.5% of the VWAP of the Common Stock on the Trading Day immediately preceding the date of the applicable Cashless Exercise.

C = the Exercise Price then in effect for the applicable Warrant Shares at the time of such Cashless Exercise.

For purposes of Rule 144(d) promulgated under the Securities Act, as in effect on the date hereof, assuming the Holder is not an affiliate of the Company, it is intended that the Warrant Shares issued in a Cashless Exercise shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the closing date of the offering pursuant to which the Company was obligated to issue this Warrant.

d. Mechanics of Exercise.

(i) Delivery of Warrant Shares Upon Exercise. The Company shall cause the Warrant Shares purchased hereunder to be transmitted by the transfer agent for the Company (the "Transfer Agent") to the Holder by crediting the account of the Holder's or its designee's balance account with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("DWAC") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares to or resale of the Warrant Shares by the Holder or (B) the Warrant Shares are eligible for resale by the Holder without volume or manner-of-sale limitations pursuant to Rule 144, and otherwise by crediting the Holder's or its designee's account at the Transfer Agent, for the number of Warrant Shares to which the Holder is entitled pursuant to such exercise by the date that is the earlier of (i) one Trading Day after delivery of the aggregate Exercise Price to the Company and (ii) the number of Trading Days comprising the Standard Settlement Period, in each case after the delivery to the Company of the Notice of Exercise (such date, the "Warrant Share Delivery Date"). Upon delivery of the Notice of Exercise, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the Warrant Shares, provided that payment of the aggregate Exercise Price is received within the earlier of (i) one Trading Day and (ii) the number of Trading Days comprising the Standard Settlement Period, in each case, following delivery to the Company of the Notice of Exercise. If the Company fails for any reason to deliver to the Holder the Warrant Shares subject to a Notice of Exercise by the Warrant Share Delivery Date, the Company shall pay to the Holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of Warrant Shares subject to such exercise (based on the VWAP of the Common Stock on the date of the applicable Notice of Exercise), $10 per calendar month after such Warrant Share Delivery Date until such Warrant Shares are delivered or the Holder rescinds such exercise. The Company agrees to maintain a transfer agent that is a participant in the FAST program so long as this Warrant remains outstanding and exercisable. The Company shall at all times maintain expedited (same-day or next-Business-Day) issuance and transfer processing with its Transfer Agent, and shall pay any fees required for such expedited processing (including any applicable expedite fee), in each case as necessary to effect delivery of the Warrant Shares within the time periods required by this Section 2(d); and no delay in delivery attributable to the transfer agent's standard (non-expedited) processing time shall reduce the Company's obligations under this Section 2(d). As used herein, "Standard Settlement Period" means the standard settlement period, expressed in a number of Trading Days, on the Company's primary trading market upon which the Common Stock may then be listed (the "Trading Market") with respect to the Common Stock as in effect on the date of delivery of the Notice of Exercise.

(ii) Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of a Holder and upon surrender of this Warrant certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new Warrant evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new Warrant shall in all other respects be identical with this Warrant.

(iii) Rescission Rights. If the Company fails to cause the Transfer Agent to transmit to the Holder the Warrant Shares pursuant to Section 2(d)(i) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

(iv) No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a share which the Holder would otherwise be entitled to purchase upon such exercise, the Company shall, at its election, either pay a cash adjustment in respect of such final fraction in an amount equal to such fraction multiplied by the Exercise Price or round up to the next whole share.

(v) Charges, Taxes and Expenses. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, that, in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all Transfer Agent fees required for same-day processing of any Notice of Exercise and all fees to the Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares. The Company shall not withhold taxes on the issuance of Warrant Shares except to the extent required by applicable law. If any withholding is required, the Company shall permit the Holder to satisfy such withholding by cashless exercise and/or withholding from the Warrant Shares otherwise deliverable upon exercise, and shall use commercially reasonable efforts to minimize any such withholding consistent with applicable law.

(vi) Closing of Books. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

e. Holder's Exercise Limitations. The Company shall not effect any exercise of this Warrant, and a Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2 or otherwise, to the extent that after giving effect to such issuance after exercise as set forth on the applicable Notice of Exercise, the Holder (together with the Holder's Affiliates, and any other Persons acting as a group together with the Holder or any of the Holder's Affiliates (such Persons, "Attribution Parties")), would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its Affiliates and Attribution Parties shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (i) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its Affiliates or Attribution Parties and (ii) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Common Stock Equivalents) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its Affiliates or Attribution Parties. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder, it being acknowledged by the Holder that the Company is not representing to the Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and the Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable shall be in the sole discretion of the Holder, and the submission of a Notice of Exercise shall be deemed to be the Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder together with any Affiliates and Attribution Parties) and of which portion of this Warrant is exercisable, in each case subject to the Beneficial Ownership Limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. In addition, a determination as to any group status as contemplated above shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, a Holder may rely on the number of outstanding shares of Common Stock as reflected in (A) the Company's most recent periodic or annual report filed with the Securities and Exchange Commission (the "Commission"), as the case may be, (B) a more recent public announcement by the Company or (C) a more recent written notice by the Company or the Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of a Holder, the Company shall within one Trading Day confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its Affiliates or Attribution Parties since the date as of which such number of outstanding shares of Common Stock was reported. The "Beneficial Ownership Limitation" shall be 9.99% of the number of shares of the Common Stock outstanding immediately after giving effect to the issuance of shares of Common Stock issuable upon exercise of this Warrant. The Holder, upon notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Section 2(e), provided that any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall be construed and implemented in a manner in strict conformity with the terms of this Section 2(e) to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of this Warrant. Notwithstanding anything to the contrary herein, the Company shall not effect any exercise of this Warrant, and the Holder shall not have the right to exercise any portion hereof, to the extent that, after giving effect to the issuance of Warrant Shares hereunder, the aggregate number of shares of Common Stock issued pursuant to this Warrant and the other Transaction Documents would require Stockholder Approval under the rules of The Nasdaq Stock Market, unless and until such Stockholder Approval is obtained (the "Exchange Cap Limitation"). Any Warrant Shares otherwise issuable but not issued as a result of the Exchange Cap Limitation shall be held in abeyance and issuable upon written notice from the Holder at such time as such issuance would not breach the Exchange Cap Limitation.

3. Certain Adjustments.

a. Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding: (i) pays a stock dividend or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivides outstanding shares of Common Stock into a larger number of shares, (iii) combines (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (iv) issues by reclassification of shares of the Common Stock any shares of capital stock of the Company, then in each case the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event, and the number of shares issuable upon exercise of this Warrant shall be proportionately adjusted such that the aggregate Exercise Price of this Warrant shall remain unchanged. Any adjustment made pursuant to this Section 3(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification.

b. Voluntary Reduction. Subject to the rules and regulations of the Nasdaq Capital Market, the Company from time to time may reduce the Exercise Price by any amount for any period of time (including, without limitation, permanently) if the period is at least 20 days and if the reduction is irrevocable during the period. Whenever the Exercise Price is reduced, the Company shall mail to the Holders a notice of the reduction. The Company shall mail the notice at least 15 days before the date the reduced Exercise Price takes effect. The notice shall state the reduced Exercise Price and the period it will be in effect.

c. Adjustment Upon Issuance of Common Stock. If, during the Restricted Period (period commencing on the Initial Exercise Date and ending on the earlier of (a) the date that no Preferred Shares or Warrants are held by the Holder and (b) two years after the Initial Exercise Date), the Company effects a Subsequent Placement (any proposed or intended issuance or sale by the Company of its Common Stock or other securities or equity-linked debt obligations), or in accordance with this Section 3 is deemed to have effected a Subsequent Placement, any Common Stock (including the issuance or sale of Common Stock owned or held by or for the account of the Company) issued or sold or deemed to have been issued or sold for a consideration per share (the "New Issuance Price") less than a price equal to the Exercise Price in effect immediately prior to such issue or sale or deemed issuance or sale (such Exercise Price then in effect is referred to as the "Applicable Price") (the foregoing a "Dilutive Issuance"), then immediately after such Dilutive Issuance, the Exercise Price then in effect shall be reduced (and in no event increased) to the price per share as determined in accordance with the following formula:

$$EP2 = EP1 \times (A + B) / (A + C)$$

For purposes of the foregoing formula:

A = The total number of shares of Common Stock outstanding, on a fully-diluted basis, immediately prior to such Dilutive Issuance.

B = The total number of shares of Common Stock that would be issued or issuable under the Dilutive Issuance if issued at a per share price equal to EP1.

C = The total number of shares of Common Stock actually issued or issuable under the Dilutive Issuance.

EP1 = The Exercise Price in effect immediately prior to a Dilutive Issuance.

EP2 = The Exercise Price immediately after such Dilutive Issuance; provided, that such price shall in no event be less than $0.61 per share of Common Stock (as may be adjusted for stock dividends, subdivisions, or combinations in the manner described in Section 3(a) herein, the "Floor Price"); provided, that if such issuance or sale (or deemed issuance or sale) was without consideration, then the Company shall be deemed to have received the Floor Price for each such share so issued or deemed to be issued.

For all purposes of the foregoing (including, without limitation, determining the adjusted Exercise Price and consideration per share under this Section 3(c)), the following shall be applicable.

(i) Issuance of Options. If, during the Restricted Period, the Company in any manner grants or sells any Options and the lowest price per share for which one share of Common Stock is issuable upon the exercise of any such Option or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option is less than the Applicable Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the granting or sale of such Option for such price per share. For purposes of this Section 3(c)(i), the "lowest price per share for which one share of Common Stock is issuable upon the exercise of any such Options or upon conversion, exercise or exchange of any Convertible Securities issuable upon exercise of any such Option" shall be equal to (A) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one share of Common Stock upon the granting or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option minus (B) the sum of all amounts paid or payable to the holder of such Option (or any other Person) upon the granting or sale of such Option, upon exercise of such Option and upon conversion, exercise or exchange of any Convertible Security issuable upon exercise of such Option plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Option (or any other Person). Except as contemplated below, no further adjustment of the Exercise Price shall be made upon the actual issuance of such Common Stock or of such Convertible Securities upon the exercise of such Options or upon the actual issuance of such Common Stock upon conversion, exercise or exchange of such Convertible Securities.

(ii) Issuance of Convertible Securities. If, during the Restricted Period, the Company in any manner issues or sells any Convertible Securities and the lowest price per share for which one share of Common Stock is issuable upon the conversion, exercise or exchange thereof is less than the Applicable Price, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the issuance or sale of such Convertible Securities for such price per share. For the purposes of this Section 3(c)(ii), the "lowest price per share for which one share of Common Stock is issuable upon the conversion, exercise or exchange thereof" shall be equal to (A) the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one share of Common Stock upon the issuance or sale of the Convertible Security and upon conversion, exercise or exchange of such Convertible Security minus (B) the sum of all amounts paid or payable to the holder of such Convertible Security (or any other Person) upon the issuance or sale of such Convertible Security plus the value of any other consideration received or receivable by, or benefit conferred on, the holder of such Convertible Security (or any other Person). Except as contemplated below, no further adjustment of the Exercise Price shall be made upon the actual issuance of such Common Stock upon conversion, exercise or exchange of such Convertible Securities, and if any such issue or sale of such Convertible Securities is made upon exercise of any Options for which adjustment of this Warrant has been or is to be made pursuant to other provisions of this Section 3(c), except as contemplated below, no further adjustment of the Exercise Price shall be made by reason of such issue or sale.

(iii) Change in Option Price or Rate of Conversion. If, during the Restricted Period, the purchase or exercise price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion, exercise or exchange of any Convertible Securities, or the rate at which any Convertible Securities are convertible into or exercisable or exchangeable for Common Stock increases or decreases at any time, the Exercise Price in effect at the time of such increase or decrease shall be adjusted to the Exercise Price which would have been in effect at such time had such Options or Convertible Securities provided for such increased or decreased purchase price, additional consideration or increased or decreased conversion rate, as the case may be, at the time initially granted, issued or sold. For purposes of this Section 3(c)(iii), if the terms of any Option or Convertible Security that was outstanding as of the date of issuance of this Warrant are increased or decreased in the manner described in the immediately preceding sentence, then such Option or Convertible Security and the Common Stock deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such increase or decrease. No adjustment pursuant to this Section 3(c) shall be made if such adjustment would result in an increase of the Exercise Price then in effect.

(iv) Calculation of Consideration Received. If, during the Restricted Period, any Option or Convertible Security is issued in connection with the issuance or sale or deemed issuance or sale of any other securities of the Company, together comprising one integrated transaction, (A) such Option or Convertible Security (as applicable) will be deemed to have been issued for consideration equal to the sum of (i) the consideration, if any, received by the Company for the issuance of such Option or Convertible Security, plus (ii) the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise, conversion or exchange thereof and (B) the other securities issued or sold or deemed to have been issued or sold in such integrated transaction shall be deemed to have been issued for consideration equal to the difference of (1) the aggregate consideration received by the Company, minus (2) the consideration attributed to each such Option or Convertible Security (as applicable) as determined under clause (A) above. If any Common Stock, Options or Convertible Securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefor will be deemed to be the net amount of consideration received by the Company therefor. If any Common Stock, Options or Convertible Securities are issued or sold for a consideration other than cash, the amount of such consideration received by the Company will be the fair value of such consideration, except where such consideration consists of publicly traded securities, in which case the amount of consideration received by the Company for such securities will be the arithmetic average of the VWAPs of such security for each of the five Trading Days immediately preceding the date of receipt. If any Common Stock, Options or Convertible Securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such Common Stock, Options or Convertible Securities, as the case may be. The fair value of any consideration other than cash or publicly traded securities will be determined jointly by the Company and the Holder. If such parties are unable to reach agreement within ten days after the occurrence of an event requiring valuation (the "Valuation Event"), the fair value of such consideration will be determined within five Trading Days after the tenth day following such Valuation Event by an independent, reputable appraiser jointly selected by the Company and the Holder. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

(v) Record Date. If, during the Restricted Period, the Company takes a record of the holders of Common Stock for the purpose of entitling them (A) to receive a dividend or other distribution payable in Common Stock, Options or in Convertible Securities or (B) to subscribe for or purchase Common Stock, Options or Convertible Securities, then such record date will be deemed to be the date of the issue or sale of the Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase (as the case may be).

d. Other Events. In the event that the Company shall take any action to which the provisions hereof are not strictly applicable, or, if applicable, would not operate to protect the Holder from dilution or if any event occurs of the type contemplated by the provisions of this Section 3 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features), then the Company's board of directors shall in good faith determine and implement an appropriate adjustment in the Exercise Price and the number of Warrant Shares (if applicable) so as to protect the rights of the Holder; provided, that no such adjustment pursuant to this Section 3(d) will increase the Exercise Price or decrease the number of Warrant Shares as otherwise determined pursuant to this Section 3; provided, further, that if the Holder does not accept such adjustments as appropriately protecting its interests hereunder against such dilution, then the Company's board of directors and the Holder shall agree, in good faith, upon an independent investment bank of nationally recognized standing to make such appropriate adjustments, whose determination shall be final and binding and whose fees and expenses shall be borne by the Company.

e. Permitted Facilities. Notwithstanding anything to the contrary in this Section 3 or elsewhere in this Warrant, none of (i) the Company's entry into, establishment or maintenance of, or performance of its obligations under, or (ii) the offer, issuance or sale of any shares of Common Stock or Common Stock Equivalents (including any commitment shares, fee shares or shares issued or issuable to any placement agent or qualified independent underwriter in connection therewith) pursuant to, either Permitted Facility shall (A) constitute or be deemed a Subsequent Placement, a Dilutive Issuance, or an issuance or sale (or deemed issuance or sale) of Common Stock for purposes of this Section 3, (B) result in any adjustment or reduction of the Exercise Price or any increase in the number of Warrant Shares, or (C) constitute a breach or violation of, or a default under, this Warrant (including, without limitation, Section 5(d) hereof). For purposes hereof, "Permitted Facilities" means, collectively, (1) the committed equity facility of up to $25,000,000 established or to be established by the Company with Roth Principal Investments, LLC or its affiliates, providing for the purchase of shares of Common Stock (the "CEF"), and (2) the Company's at-the-market offering facility with ThinkEquity LLC (the "ATM"), in each case including any related purchase agreement, sales agreement, registration statement, prospectus, prospectus supplement and other documentation, and any amendment, restatement, supplement or replacement thereof, in each case entered into in furtherance of the Company's restructuring, recapitalization or refinancing of its indebtedness. The Holder's acceptance of this Warrant constitutes the Holder's irrevocable consent to, and waiver of any adjustment or other right arising under this Warrant in respect of, each Permitted Facility, and no separate consent or waiver shall be required in connection therewith.

f. Fundamental Transaction. If, at any time while this Warrant is outstanding, (i) the Company, directly or indirectly, in one or more related transactions effects any merger or consolidation of the Company with or into another Person, (ii) the Company (or any Subsidiary), directly or indirectly, effects any sale, lease, license, assignment, transfer, conveyance or other disposition of all or substantially all of its assets in one or a series of related transactions, (iii) any, direct or indirect, purchase offer, tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to sell, tender or exchange their shares for other securities, cash or property and has been accepted by the holders of 50% or more of the outstanding Common Stock or 50% or more of the voting power of the common equity of the Company, (iv) the Company, directly or indirectly, in one or more related transactions effects any reclassification, reorganization or recapitalization of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property, or (v) the Company, directly or indirectly, in one or more related transactions consummates a stock or share purchase agreement or other business combination (including, without limitation, a reorganization, recapitalization, spin-off, merger or scheme of arrangement) with another Person or group of Persons whereby such other Person or group acquires more than 50% of the outstanding shares of Common Stock or 50% or more of the voting power of the common equity of the Company (each a "Fundamental Transaction"), then, upon any subsequent exercise of this Warrant, the Holder shall have the right to receive, for each Warrant Share that would have been issuable upon such exercise immediately prior to the occurrence of such Fundamental Transaction, at the option of the Holder (without regard to any limitation in Section 2(e) on the exercise of this Warrant), the number of shares of Common Stock of the successor or acquiring corporation or of the Company, if it is the surviving corporation, and any additional consideration (the "Alternate Consideration") receivable as a result of such Fundamental Transaction by a holder of the number of shares of Common Stock for which this Warrant is exercisable immediately prior to such Fundamental Transaction (without regard to any limitation in Section 2(e) on the exercise of this Warrant). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. The Company shall cause any successor entity in a Fundamental Transaction in which the Company is not the survivor (the "Successor Entity") to assume in writing all of the obligations of the Company under this Warrant and the other Transaction Documents in accordance with the provisions of this Section 3(c) pursuant to written agreements in form and substance reasonably satisfactory to the Holder and approved by the Holder (without unreasonable delay) prior to such Fundamental Transaction and shall, at the option of the Holder, deliver to the Holder in exchange for this Warrant a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to this Warrant which is exercisable for a corresponding number of shares of capital stock of such Successor Entity (or its parent entity) equivalent to the shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant) prior to such Fundamental Transaction, and with an exercise price which applies the exercise price hereunder to such shares of capital stock (but taking into account the relative value of the shares of Common Stock pursuant to such Fundamental Transaction and the value of such shares of capital stock, such number of shares of capital stock and such exercise price being for the purpose of protecting the economic value of this Warrant immediately prior to the consummation of such Fundamental Transaction), and which is reasonably satisfactory in form and substance to the Holder. Upon the occurrence of any such Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of this Warrant and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under this Warrant and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein.

g. Calculations. All calculations under this Section 3 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 3, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) issued and outstanding.

h. Notice to Holder.

(i) Adjustment to Exercise Price. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 3, the Company shall promptly deliver to the Holder by email a notice setting forth the Exercise Price after such adjustment and any resulting adjustment to the number of Warrant Shares and setting forth a brief statement of the facts requiring such adjustment.

(ii) Notice to Allow Exercise by Holder. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights, (D) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company (or any of its Subsidiaries) is a party, any sale or transfer of all or substantially all of its assets, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by email to the Holder at its last email address as it shall appear upon the Warrant Register of the Company, at least 20 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided, that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. To the extent that any notice provided in this Warrant constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K. The Holder shall remain entitled to exercise this Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein. For the avoidance of doubt, solely for purposes of determining the Holder's entitlement to any distribution (including any cash dividend, return of capital, or distribution of proceeds from any asset disposition), the Holder shall be deemed to have exercised this Warrant (without regard to any Beneficial Ownership Limitation) immediately prior to the applicable record date, and the Company shall, on the payment date of such distribution, deliver to the Holder the same consideration per Warrant Share as would have been payable to a holder of Common Stock as of such record date; provided, that, to the extent delivery in kind would result in the Holder exceeding the Beneficial Ownership Limitation, the excess portion shall be paid in cash or held in abeyance (with respect to non-cash consideration, in trust or escrow or by delivering equivalent value in cash) until such delivery would not result in the Holder exceeding the Beneficial Ownership Limitation.

4. Transfer of Warrant.

a. Transferability. Subject to compliance with any applicable securities laws and the conditions set forth in Section 4(d) hereof and to the provisions of Section 4(f) of the Exchange Agreement, this Warrant and all rights hereunder (including, without limitation, any registration rights) are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company or its designated agent, together with a written assignment of this Warrant substantially in the form attached hereto duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees, as applicable, and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant to the Company unless the Holder has assigned this Warrant in full, in which case, the Holder shall surrender this Warrant to the Company within three Trading Days of the date on which the Holder delivers an assignment form to the Company assigning this Warrant in full. The Warrant, if properly assigned in accordance herewith, may be exercised by a new holder for the purchase of Warrant Shares without having a new Warrant issued.

b. New Warrants. This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 4(a), as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice. All Warrants issued on transfers or exchanges shall be dated the original Issue Date and shall be identical with this Warrant except as to the number of Warrant Shares issuable pursuant thereto.

c. Warrant Register. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose (the "Warrant Register"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

d. Transfer Restrictions. If, at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be either (i) registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws or (ii) eligible for resale without volume or manner-of-sale restrictions or current public information requirements pursuant to Rule 144, the Company may require, as a condition of allowing such transfer, that the Holder or transferee of this Warrant, as the case may be, deliver an unqualified opinion of counsel issued to the Company and reasonably acceptable to the Company.

e. Representation by the Holder. The Holder, by the acceptance hereof, represents and warrants that it is acquiring this Warrant and, upon any exercise hereof, will acquire the Warrant Shares issuable upon such exercise, for its own account and not with a view to or for distributing or reselling such Warrant Shares or any part thereof in violation of the Securities Act or any applicable state securities law, except pursuant to sales registered or exempted under the Securities Act.

5. Miscellaneous.

a. No Rights as Stockholder Until Exercise; No Settlement in Cash. This Warrant does not entitle the Holder to any voting rights, dividends or other rights as a stockholder of the Company prior to the exercise hereof as set forth in Section 2(d)(i), except as expressly set forth in Section 3. In no event shall the Company be required to net cash settle an exercise of this Warrant. It is the intention of the Company and the Holder that this Warrant be classified as an instrument within stockholders' equity of the Company for accounting purposes, and the parties shall not take any position inconsistent with such treatment except to the extent otherwise required by the Company's independent registered public accounting firm or by applicable law.

b. Loss, Theft, Destruction or Mutilation of Warrant. The Company covenants that upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant or any stock certificate relating to the Warrant Shares, and in case of loss, theft or destruction, of indemnity or security reasonably satisfactory to it (which, in the case of the Warrant, shall not include the posting of any bond), and upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of such Warrant or stock certificate.

c. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

d. Authorized Shares.

(i) The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock, solely for the purpose of effecting the exercise of this Warrant, a number of shares of Common Stock at least equal to the number of Warrant Shares then issuable upon exercise of this Warrant in full (or, if less, the maximum number of shares of Common Stock that are then authorized but unissued and not otherwise reserved for issuance), in accordance with the Company's obligations to use commercially reasonable efforts to comply with the Principal Market Rules, including the listing requirements, and as long as the Common Stock remains listed on the Principal Market, to not enforce any provision of any Transaction Document which does not comply with the Principal Market Rules. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the Trading Market upon which the Common Stock may be listed. The Company covenants that all Warrant Shares which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue).

(ii) Except and to the extent as waived or consented to by the Holder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of Holder as set forth in this Warrant against impairment. Notwithstanding the foregoing, none of (i) the redomestication, conversion or continuance of the Company from the State of Delaware to the State of Nevada (the "Redomestication"), or (ii) any amendment, restatement, replacement or adoption of the Company's certificate of incorporation, bylaws or other organizational or governing documents solely to the extent necessary to effect the Redomestication, shall be deemed to avoid or seek to avoid, or otherwise to violate or breach, this Section, so long as (A) the Company remains the same legal entity (or its direct successor by operation of law in the Redomestication) and the Redomestication does not constitute a Fundamental Transaction; (B) this Warrant remains in full force and effect on the same terms, and the Redomestication and any related changes to the Company's organizational or governing documents do not impair, reduce or otherwise adversely affect the rights, preferences or economic benefits of the Holder under this Warrant, including, but not limited to, the Exercise Price, the number of Warrant Shares and the adjustment, anti-dilution and reset provisions of Section 3; (C) the Company's post-Redomestication organizational and governing documents contain no provision that conflicts with, or would impair the Company's ability to perform, its obligations under this Warrant; and (D) the Company has reserved, and continues to reserve, a number of shares sufficient to satisfy its obligations under Section 5(d)(i). Without limiting the generality of the foregoing, the Company will (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (ii) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Warrant Shares upon the exercise of this Warrant and (iii) use its best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant.

(iii) Before taking any action which would result in an adjustment in the number of Warrant Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary from any public regulatory body or bodies having jurisdiction thereof.

e. Jurisdiction. All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be determined in accordance with the provisions of the Exchange Agreement.

f. Restrictions. The Holder acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered, will have restrictions upon resale imposed by state and federal securities laws.

g. Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of Holder shall operate as a waiver of such right or otherwise prejudice the Holder's rights, powers or remedies, notwithstanding the fact that the right to exercise this Warrant terminates on the Termination Date. Without limiting any other provision of this Warrant or the Exchange Agreement, if the Company willfully and knowingly fails to comply with any provision of this Warrant, which results in any material damages to the Holder, the Company shall pay to the Holder such amounts as shall be sufficient to cover any costs and expenses including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the Holder in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

h. Notices. Any notice, request or other document required or permitted to be given or delivered to the Holder by the Company shall be delivered in accordance with the notice provisions of the Exchange Agreement.

i. Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

j. Remedies. The Holder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

k. Successors and Assigns. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall inure to the benefit of and be binding upon the successors and permitted assigns of the Company and the successors and permitted assigns of Holder. The provisions of this Warrant are intended to be for the benefit of any Holder from time to time of this Warrant and shall be enforceable by the Holder or holder of Warrant Shares.

l. Amendment. This Warrant may be modified or amended or the provisions hereof waived with the written consent of the Company and the Holder.

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

n. Headings. The headings used in this Warrant are for the convenience of reference only and shall not, for any purpose, be deemed a part of this Warrant.

6. Certain Definitions. For purposes of this Warrant, the following terms shall have the following meanings:

a. "Convertible Securities" means any capital stock or other security of the Company that is at any time and under any circumstances directly or indirectly convertible into, exercisable or exchangeable for, or which otherwise entitles the holder thereof to acquire, any capital stock or other security of the Company (including, without limitation, Common Stock).

b. "Options" means any rights, warrants or options to subscribe for or purchase Common Stock or Convertible Securities.

c. "Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

d. "VWAP" means, for any security as of any date, the dollar volume-weighted average price for such security on the principal securities exchange or securities market on which such security is then traded during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg through its "Volume at Price" function or, if the foregoing does not apply, the dollar volume-weighted average price of such security in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time, and ending at 4:00:00 p.m., New York time, as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for such security by Bloomberg for such hours, the average of the three highest closing bid prices and the three lowest closing ask prices of all of the market makers for such security as reported in the "pink sheets" by OTC Markets Group Inc. (formerly Pink Sheets LLC). If VWAP cannot be calculated for such security on such date on any of the foregoing bases, the VWAP of such security on such date shall be the fair market value as mutually determined by the Company and the Holder. If the Company and the Holder are unable to agree upon the fair market value of such security, then such dispute shall be resolved in accordance with the procedures in Section 7 of the Exchange Agreement. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during such period.

****

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized as of the date first above indicated.

COMPANY:

POLAR POWER, INC.

By: /s/ Luis Zavala
Name: Luis Zavala
Title: Chief Financial Officer

NOTICE OF EXERCISE

TO: POLAR POWER, INC.

1. The undersigned hereby elects to purchase _____ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

2. Payment shall take the form of (check applicable box):

☐ in lawful money of the United States; or

☐ if permitted the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(c), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(c).

3. Please issue said Warrant Shares in the name of the undersigned or in such other name as is specified below:

_____

The Warrant Shares shall be delivered to the following DWAC Account Number

_____

_____

_____

4. Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended.

[SIGNATURE OF HOLDER]

Name of Investing Entity: _____

Signature of Authorized Signatory of Investing Entity: _____

Name of Authorized Signatory: _____

Title of Authorized Signatory: _____

Date: _____

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to:

Name:

Address:

Phone Number:

Email Address:

Dated: _____

Holder's Signature: _____

Holder's Address: _____

Exhibit 4.9

THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL (WHICH COUNSEL SHALL BE SELECTED BY THE HOLDER), IN A GENERALLY ACCEPTABLE FORM, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT.

THE ISSUE PRICE OF THIS NOTE IS $353,050.00
THE ORIGINAL ISSUE DISCOUNT IS $46,050.00

Principal Amount: $353,050.00 Issue Date: November 5, 2026 Purchase Price: $307,000.00

PROMISSORY NOTE

FOR VALUE RECEIVED, Polar Power, Inc., a Delaware corporation (hereinafter called the "Borrower"), hereby promises to pay to the order of Vanquish Funding Group Inc., a Virginia corporation, or registered assigns (the "Holder") the sum of $353,050.00 together with any interest as set forth herein, on August 30, 2027 (the "Maturity Date"), and to pay interest on the unpaid principal balance hereof from the date hereof (the "Issue Date") as set forth herein. This Note may be prepaid in whole or in part at any time without penalty. Any amount of principal or interest on this Note which is not paid when due shall bear interest at the rate of twenty two percent (22%) per annum from the due date thereof until the same is paid ("Default Interest"). All payments due hereunder (to the extent not converted into common stock, $0.0001 par value per share (the "Common Stock") in accordance with the terms hereof) shall be made in lawful money of the United States of America. All payments shall be made at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in that certain Securities Purchase Agreement dated the date hereof, pursuant to which this Note was originally issued (the "Purchase Agreement").

This Note is free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the Borrower and will not impose personal liability upon the holder thereof.

The following terms shall apply to this Note:

ARTICLE I. GENERAL TERMS

1.1 Interest. A one-time interest charge of twelve percent (12%) (the "Interest Rate") shall be applied on the Issuance Date to the Principal ($353,050.00 * twelve percent (12%) = $42,366.00). Interest hereunder shall be paid as set forth herein to the Holder or its assignee in whose name this Note is registered on the records of the Company regarding registration and transfers of Notes in cash or, in the Event of Default, at the Option of the Holder, converted into share of Common Stock as set forth herein.

1.2 Mandatory Monthly Payments. Accrued, unpaid interest and outstanding principal, subject to adjustment, shall be paid in five (5) payments as follows:

Payment Date	Amount of Payment
April 30, 2027	$ 197,708.00
May 30, 2027	$ 49,427.00
June 30, 2027	$ 49,427.00
July 30, 2027	$ 49,427.00
August 30, 2027	$ 49,427.00

(a total payback to the Holder of $395,416.00).

The Company shall have a five (5) day grace period with respect to each payment. The Lender will accept partial payments to reduce any balances owed. All payments shall be made by bank wire transfer to the Holder's wire instructions, attached hereto as Exhibit A. For the avoidance of doubt, a missed payment shall be considered an Event of Default.

ARTICLE II. CERTAIN COVENANTS

2.1 Sale of Assets. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, sell, lease or otherwise dispose of any significant portion of its assets outside the ordinary course of business. Any consent to the disposition of any assets may be conditioned on a specified use of the proceeds of disposition.

2.2 No Shorting; No Hedging. So long as this Note remains outstanding, the Holder shall not, and shall cause its affiliates not to, effect, enter into, maintain or otherwise be a party to any short sale of the Common Stock, or any hedging, swap, derivative or other transaction that establishes or maintains a net short position with respect to the Common Stock, or otherwise take any action that would have the effect of decreasing the trading price of the Common Stock. The foregoing shall not prohibit the Holder from selling Conversion Shares after such Conversion Shares have been delivered to the Holder in accordance with this Note.

ARTICLE III. EVENTS OF DEFAULT

If any of the following events of default (each, an "Event of Default") shall occur:

3.1 Failure to Pay Principal and Interest. The Borrower fails to pay the principal hereof or interest thereon when due on this Note, whether at maturity, upon acceleration or otherwise and such breach continues for a period of five (5) days after written notice from the Holder.

3.2 Conversion and the Shares. The Borrower fails to issue shares of Common Stock to the Holder (or announces or threatens in writing that it will not honor its obligation to do so) upon exercise by the Holder of the conversion rights of the Holder in accordance with the terms of this Note (following an Event of Default other than this Section 3.2), fails to transfer or cause its transfer agent to transfer (issue) (electronically or in certificated form) any certificate for shares of Common Stock issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, the Borrower directs its transfer agent not to transfer or delays, impairs, and/or hinders its transfer agent in transferring (or issuing) (electronically or in certificated form) any certificate for shares of Common Stock to be issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note, or fails to remove (or directs its transfer agent not to remove or impairs, delays, and/or hinders its transfer agent from removing) any restrictive legend (or to withdraw any stop transfer instructions in respect thereof) on any certificate for any shares of Common Stock issued to the Holder upon conversion of or otherwise pursuant to this Note as and when required by this Note (or makes any written announcement, statement or threat that it does not intend to honor the obligations described in this paragraph) and any such failure shall continue uncured (or any written announcement, statement or threat not to honor its obligations shall not be rescinded in writing) for three (3) business days after the Holder shall have delivered a Notice of Conversion. It is an obligation of the Borrower to remain current in its obligations to its transfer agent. It shall be an event of default of this Note, if a conversion of this Note is delayed, hindered or frustrated due to a balance owed by the Borrower to its transfer agent. If at the option of the Holder, the Holder advances any funds to the Borrower's transfer agent in order to process a conversion, such advanced funds shall be paid by the Borrower to the Holder within forty-eight (48) hours of a demand from the Holder.

3.3 Breach of Covenants. The Borrower breaches any material covenant or other material term or condition contained in this Note and any collateral documents including but not limited to the Purchase Agreement and such breach continues for a period of twenty (20) days after written notice thereof to the Borrower from the Holder.

3.4 Breach of Representations and Warranties. Any representation or warranty of the Borrower made herein or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith (including, without limitation, the Purchase Agreement), shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note or the Purchase Agreement.

3.5 Receiver or Trustee. The Borrower or any subsidiary of the Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed.

3.6 Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings, voluntary or involuntary, for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Borrower or any subsidiary of the Borrower.

3.7 Delisting of Common Stock. The Borrower shall fail to maintain the listing of the Common Stock on The Nasdaq Global Select Market, The Nasdaq Global Market, or The Nasdaq Capital Market (collectively, the "Exchanges").

3.8 Failure to Comply with the Exchange Act. The Borrower shall fail to comply with the reporting requirements of the Exchange Act; and/or the Borrower shall cease to be subject to the reporting requirements of the Exchange Act.

3.9 Liquidation. Any dissolution, liquidation, or winding up of Borrower or any substantial portion of its business.

3.10 Cessation of Operations. Any cessation of operations by Borrower or Borrower admits it is otherwise generally unable to pay its debts as such debts become due, provided, however, that any disclosure of the Borrower's ability to continue as a "going concern" shall not be an admission that the Borrower cannot pay its debts as they become due.

3.11 Financial Statement Restatement. The restatement of any financial statements filed by the Borrower with the SEC at any time after 180 days after the Issuance Date for any date or period until this Note is no longer outstanding, if the result of such restatement would, by comparison to the un-restated financial statement, have constituted a material adverse effect on the rights of the Holder with respect to this Note or the Purchase Agreement.

3.12 Replacement of Transfer Agent. In the event that the Borrower proposes to replace its transfer agent, the Borrower fails to provide, prior to the effective date of such replacement, a fully executed Irrevocable Transfer Agent Instructions in a form as initially delivered pursuant to the Purchase Agreement (including but not limited to the provision to irrevocably reserve shares of Common Stock in the Reserved Amount) signed by the successor transfer agent to Borrower and the Borrower.

3.13 Cross-Default. Notwithstanding anything to the contrary contained in this Note or the other related or companion documents, a breach or default by the Borrower of any covenant or other term or condition contained in any of the Other Agreements, after the passage of all applicable notice and cure or grace periods, shall, at the option of the Holder, be considered a default under this Note and the Other Agreements, in which event the Holder shall be entitled (but in no event required) to apply all rights and remedies of the Holder under the terms of this Note and the Other Agreements by reason of a default under said Other Agreement or hereunder. "Other Agreements" means, collectively, all agreements and instruments between, among or by: (1) the Borrower, and, or for the benefit of, (2) the Holder and any affiliate of the Holder, including, without limitation, promissory notes; provided, however, the term "Other Agreements" shall not include the related or companion documents to this Note. Each of the loan transactions will be cross-defaulted with each other loan transaction and with all other existing and future debt of Borrower to the Holder.

Upon the occurrence and during the continuation of any Event of Default, the Note shall become immediately due and payable and the Borrower shall pay to the Holder, in full satisfaction of its obligations hereunder, an amount equal to 150% ("Default Percentage") times the sum of (w) the then outstanding principal amount of this Note plus (x) accrued and unpaid interest on the unpaid principal amount of this Note to the date of payment (the "Mandatory Prepayment Date") plus (y) Default Interest, if any, on the amounts referred to in clauses (w) and/or (x) plus (z) any amounts owed to the Holder pursuant to Article IV hereof (the then outstanding principal amount of this Note to the date of payment plus the amounts referred to in clauses (x), (y) and (z) shall collectively be known as the "Default Amount") and all other amounts payable hereunder shall immediately become due and payable, all without demand, presentment or notice, all of which hereby are expressly waived, together with all costs, including, without limitation, legal fees and expenses, of collection, and the Holder shall be entitled to exercise all other rights and remedies available at law or in equity. Notwithstanding anything to the contrary contained herein, in the event that following an Event of Default (other than Section 3.2), a default pursuant to Section 3.2 occurs, the Default Percentage shall be immediately adjusted to 200%.

If the Borrower fails to pay the Default Amount within five (5) business days of written notice that such amount is due and payable, then, subject to Section 4.1 (including the requirement of an Event of Default), the Holder shall have the sole and exclusive right to convert the balance owed pursuant to the note including the Default Amount into shares of common stock of the Company as set forth herein.

ARTICLE IV. CONVERSION RIGHTS

4.1 Conversion Right. At any time following an Event of Default, the Holder shall have the sole and exclusive right to convert all or any part of the outstanding and unpaid amount of this Note into fully paid and non-assessable shares of Common Stock, as such Common Stock exists on the Issue Date, or any shares of capital stock or other securities of the Borrower into which such Common Stock shall hereafter be changed or reclassified at the conversion price determined as provided herein (a "Conversion"); provided, however, that in no event shall the Holder be entitled to convert any portion of this Note in excess of that portion of this Note upon conversion of which the sum of (1) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unconverted portion of the Notes or the unexercised or unconverted portion of any other security of the Borrower subject to a limitation on conversion or exercise analogous to the limitations contained herein) and (2) the number of shares of Common Stock issuable upon the conversion of the portion of this Note with respect to which the determination of this proviso is being made, would result in beneficial ownership by the Holder and its affiliates of more than 4.99% of the outstanding shares of Common Stock. For purposes of the proviso to the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulations 13D-G thereunder, except as otherwise provided in clause (1) of such proviso. The beneficial ownership limitations on conversion as set forth in the section may NOT be waived by the Holder. The number of shares of Common Stock to be issued upon each conversion of this Note shall be determined by dividing the Conversion Amount (as defined below) by the applicable Conversion Price then in effect on the date specified in the notice of conversion, in the form attached hereto as Exhibit B(the "Notice of Conversion"), delivered to the Borrower by the Holder in accordance with Section 4.4 below; provided that the Notice of Conversion is submitted by facsimile or e-mail (or by other means resulting in, or reasonably expected to result in, notice) to the Borrower before 6:00 p.m., New York, New York time on such conversion date (the "Conversion Date"); however, if the Notice of Conversion is sent after 6:00pm, New York, New York time the Conversion Date shall be the next business day. The term "Conversion Amount" means, with respect to any conversion of this Note, the sum of (1) the principal amount of this Note to be converted in such conversion plus (2) at the Holder's option, accrued and unpaid interest, if any, on such principal amount at the interest rates provided in this Note to the Conversion Date, plus (3) at the Holder's option, Default Interest, if any, on the amounts referred to in the immediately preceding clauses (1) and/or (2) plus (4) at the Holder's option, any amounts owed to the Holder pursuant to Sections 4.4 hereof. Notwithstanding anything in this Note to the contrary, and in addition to the limitations set forth herein, the Note may not be converted into more than 19.99% of the issued and outstanding Common Stock (calculated at the time of the investment / as of the Issue Date) (the "Threshold" or "Conversion Limitation"), and the unconverted balance of this Note, if any, shall be paid in cash; provided, however, that if, at any time during which this Note is outstanding, the Common Stock is no longer traded on a stock exchange (NYSE or Nasdaq), the Threshold shall no longer restrict any conversions of this Note. Without limiting the foregoing, if the Borrower has not obtained Stockholder Approval, the Borrower shall not issue a number of shares of Common Stock under this Note which, when aggregated with all other securities that are required to be aggregated for purposes of Nasdaq Rule 5635(d), would exceed 19.99% of the shares of Common Stock outstanding as of the date of definitive agreement with respect to the first of such aggregated transactions. For purposes of this section, "Stockholder Approval" means such approval as may be required by the applicable rules and regulations of The Nasdaq Stock Market LLC (or any successor entity) from the stockholders of the Company with respect to the issuance of the shares under this Note that, when taken together with any other securities that are required to be aggregated with the issuance of the shares issued under this Note for purposes of Rule 5635(d) of The Nasdaq Stock Market LLC ("Rule 5635(d)"), would exceed 19.99% of the issued and outstanding common stock as of the date of definitive agreement with respect to the first of such aggregated transactions. "Principal Market" means the Exchanges (as defined herein) or an equivalent replacement exchange, and all rules and regulations relating to such exchange. Upon the occurrence of an Event of Default pursuant to Section 3.7 hereof, or if the Common Stock is no longer traded on NYSE or Nasdaq, the Conversion Limitation / Threshold shall no longer apply to limit the issuance of shares in conversion of this Note.

The Holder shall be entitled to deduct $1,500.00 from the conversion amount in each Notice of Conversion to cover Holder's deposit fees associated with each Notice of Conversion. Any additional expenses incurred by Holder with respect to the Borrower's transfer agent, for the issuance of the Common Stock into which this Note is convertible into, shall immediately and automatically be added to the balance of the Note at such time as the expenses are incurred by Holder.

4.2 Conversion Price. The conversion price (the "Conversion Price") shall mean 75% multiplied by the lowest Trading Price for the Common Stock during the ten (10) Trading Days prior to the Conversion Date (representing a discount rate of 25%) (subject to equitable adjustments by the Borrower relating to the Borrower's securities or the securities of any subsidiary of the Borrower, combinations, recapitalization, reclassifications, extraordinary distributions and similar events). "Trading Price" means, for any security as of any date, the closing bid price on the OTCQB, OTCQX, Pink Sheets electronic quotation system or applicable trading market (the "OTC") as reported by a reliable reporting service ("Reporting Service") designated by the Holder (i.e. Bloomberg) or, if the OTC is not the principal trading market for such security, the closing bid price of such security on the principal securities exchange or trading market where such security is listed or traded or, if no closing bid price of such security is available in any of the foregoing manners, the average of the closing bid prices of any market makers for such security that are listed in the "pink sheets". If the Trading Price cannot be calculated for such security on such date in the manner provided above, the Trading Price shall be the fair market value as mutually determined by the Borrower and the holders of a majority in interest of the Notes being converted for which the calculation of the Trading Price is required in order to determine the Conversion Price of such Notes. "Trading Day" shall mean any day on which the Common Stock is tradable for any period on the OTC, or on the principal securities exchange or other securities market on which the Common Stock is then being traded.

4.3 Authorized Shares. The Borrower covenants that during the period that the Note is outstanding, the Borrower will reserve from its authorized and unissued Common Stock a sufficient number of shares, free from preemptive rights, to provide for the issuance of Common Stock upon the full conversion of this Note issued pursuant to the Purchase Agreement. The Borrower is required at all times to have authorized and reserved four times the number of shares that is actually issuable upon full conversion of the Note (based on the Conversion Price of the Note in effect from time to time) (the "Reserved Amount"). The Reserved Amount shall be increased (or decreased) from time to time in accordance with the Borrower's obligations hereunder. The Borrower represents that upon issuance, such shares will be duly and validly issued, fully paid and non-assessable. In addition, if the Borrower shall issue any securities or make any change to its capital structure which would change the number of shares of Common Stock into which the Notes shall be convertible at the then current Conversion Price, the Borrower shall at the same time make proper provision so that thereafter there shall be a sufficient number of shares of Common Stock authorized and reserved, free from preemptive rights, for conversion of the outstanding Note. The Borrower (i) acknowledges that it has irrevocably instructed its transfer agent to issue certificates for the Common Stock issuable upon conversion of this Note, and (ii) agrees that its issuance of this Note shall constitute full authority to its officers and agents who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for shares of Common Stock in accordance with the terms and conditions of this Note.

If, at any time the Borrower does not maintain the Reserved Amount it will be considered an Event of Default under this Note; provided, however, that if the Borrower fails to maintain the Reserved Amount as required under this Section 4.3, such failure shall not constitute an Event of Default unless it remains uncured for five (5) business days after written notice thereof from the Holder.

4.4 Method of Conversion.

(a) Mechanics of Conversion. As set forth in Section 4.1 hereof, solely and exclusively upon the occurrence and during the continuance of an Event of Default, the balance due pursuant to this Note may be converted by the Holder in whole or in part from time to time, by (A) submitting to the Borrower a Notice of Conversion (by facsimile, e-mail or other reasonable means of communication dispatched on the Conversion Date prior to 6:00 p.m., New York, New York time) and (B) subject to Section 4.4(b), surrendering this Note at the principal office of the Borrower (upon payment in full of any amounts owed hereunder).

(b) Surrender of Note Upon Conversion. Notwithstanding anything to the contrary set forth herein, upon conversion of this Note in accordance with the terms hereof, the Holder shall not be required to physically surrender this Note to the Borrower unless the entire unpaid principal amount of this Note is so converted. The Holder and the Borrower shall maintain records showing the principal amount so converted and the dates of such conversions or shall use such other method, reasonably satisfactory to the Holder and the Borrower, so as not to require physical surrender of this Note upon each such conversion.

(c) Delivery of Common Stock Upon Conversion. Upon receipt by the Borrower from the Holder of a facsimile transmission or e-mail (or other reasonable means of communication) of a Notice of Conversion meeting the requirements for conversion as provided in this Section 4.4, the Borrower shall issue and deliver or cause to be issued and delivered to or upon the order of the Holder certificates for the Common Stock issuable upon such conversion within three (3) business days after such receipt (the "Deadline") (and, solely in the case of conversion of the entire unpaid principal amount hereof, surrender of this Note) in accordance with the terms hereof and the Purchase Agreement. Upon receipt by the Borrower of a Notice of Conversion, the Holder shall be deemed to be the holder of record of the Common Stock issuable upon such conversion, the outstanding principal amount and the amount of accrued and unpaid interest on this Note shall be reduced to reflect such conversion, and, unless the Borrower defaults on its obligations hereunder, all rights with respect to the portion of this Note being so converted shall forthwith terminate except the right to receive the Common Stock or other securities, cash or other assets, as herein provided, on such conversion. If the Holder shall have given a Notice of Conversion as provided herein, the Borrower's obligation to issue and deliver the certificates for Common Stock shall be absolute and unconditional, irrespective of the absence of any action by the Holder to enforce the same, any waiver or consent with respect to any provision thereof, the recovery of any judgment against any person or any action to enforce the same, any failure or delay in the enforcement of any other obligation of the Borrower to the holder of record, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder of any obligation to the Borrower, and irrespective of any other circumstance which might otherwise limit such obligation of the Borrower to the Holder in connection with such conversion.

(d) Delivery of Common Stock by Electronic Transfer. In lieu of delivering physical certificates representing the Common Stock issuable upon conversion, provided the Borrower is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer ("FAST") program, upon request of the Holder and its compliance with the provisions set forth herein, the Borrower shall use its best efforts to cause its transfer agent to electronically transmit the Common Stock issuable upon conversion to the Holder by crediting the account of Holder's Prime Broker with DTC through its Deposit and Withdrawal at Custodian ("DWAC") system.

(e) Failure to Deliver Common Stock Prior to Deadline. Without in any way limiting the Holder's right to pursue other remedies, including actual damages and/or equitable relief, the parties agree that if delivery of the Common Stock issuable upon conversion of this Note is not delivered by the Deadline due to action and/or inaction of the Borrower, the Borrower shall pay to the Holder $2,000 per day in cash, for each day beyond the Deadline that the Borrower fails to deliver such Common Stock (the "Fail to Deliver Fee"); provided; however that the Fail to Deliver Fee shall not be due if the failure is a result of a third party (i.e., transfer agent; and not the result of any failure to pay such transfer agent) despite the best efforts of the Borrower to effect delivery of such Common Stock. Such cash amount shall be paid to Holder by the fifth day of the month following the month in which it has accrued or, at the option of the Holder (by written notice to the Borrower by the first day of the month following the month in which it has accrued), shall be added to the principal amount of this Note, in which event interest shall accrue thereon in accordance with the terms of this Note and such additional principal amount shall be convertible into Common Stock in accordance with the terms of this Note. The Borrower agrees that the right to convert is a valuable right to the Holder. The damages resulting from a failure, attempt to frustrate, interference with such conversion right are difficult if not impossible to qualify. Accordingly, the parties acknowledge that the liquidated damages provision contained in this Section 4.4(e) are justified.

4.5 Concerning the Shares. The shares of Common Stock issuable upon conversion of this Note may not be sold or transferred unless: (i) such shares are sold pursuant to an effective registration statement under the Act or (ii) the Borrower or its transfer agent shall have been furnished with an opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that the shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration (such as Rule 144 or a successor rule) ("Rule 144"); or (iii) such shares are transferred to an "affiliate" (as defined in Rule 144) of the Borrower who agrees to sell or otherwise transfer the shares only in accordance with this Section 4.5 and who is an Accredited Investor (as defined in the Purchase Agreement).

Any restrictive legend on certificates representing shares of Common Stock issuable upon conversion of this Note shall be removed and the Borrower shall issue to the Holder a new certificate therefore free of any transfer legend if the Borrower or its transfer agent shall have received an opinion of counsel from Holder's counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that (i) a public sale or transfer of such Common Stock may be made without registration under the Act, which opinion shall be accepted by the Company so that the sale or transfer is effected; or (ii) in the case of the Common Stock issuable upon conversion of this Note, such security is registered for sale by the Holder under an effective registration statement filed under the Act; or otherwise may be sold pursuant to an exemption from registration. In the event that the Company does not reasonably accept the opinion of counsel provided by the Holder with respect to the transfer of Securities pursuant to an exemption from registration (such as Rule 144), it will be considered an Event of Default pursuant to this Note.

4.6 Effect of Certain Events.

(a) Effect of Merger, Consolidation, Etc. At the option of the Holder, the sale, conveyance or disposition of all or substantially all of the assets of the Borrower, the effectuation by the Borrower of a transaction or series of related transactions in which more than 50% of the voting power of the Borrower is disposed of, or the consolidation, merger or other business combination of the Borrower with or into any other Person (as defined below) or Persons when the Borrower is not the survivor shall be deemed to be an Event of Default (as defined in Article III) pursuant to which the Borrower shall be required to pay to the Holder upon the consummation of and as a condition to such transaction an amount equal to the Default Amount (as defined in Article III). "Person" shall mean any individual, corporation, limited liability company, partnership, association, trust or other entity or organization.

(b) Adjustment Due to Merger, Consolidation, Etc. If, at any time when this Note is issued and outstanding and prior to conversion of all of the Note, there shall be any merger, consolidation, exchange of shares, recapitalization, reorganization, or other similar event, as a result of which shares of Common Stock of the Borrower shall be changed into the same or a different number of shares of another class or classes of stock or securities of the Borrower or another entity, or in case of any sale or conveyance of all or substantially all of the assets of the Borrower other than in connection with a plan of complete liquidation of the Borrower, then the Holder of this Note shall thereafter have the right to receive upon conversion of this Note, upon the basis and upon the terms and conditions specified herein and in lieu of the shares of Common Stock immediately theretofore issuable upon conversion, such stock, securities or assets which the Holder would have been entitled to receive in such transaction had this Note been converted in full immediately prior to such transaction (without regard to any limitations on conversion set forth herein), and in any such case appropriate provisions shall be made with respect to the rights and interests of the Holder of this Note to the end that the provisions hereof (including, without limitation, provisions for adjustment of the Conversion Price and of the number of shares issuable upon conversion of the Note) shall thereafter be applicable, as nearly as may be practicable in relation to any securities or assets thereafter deliverable upon the conversion hereof. The Borrower shall not affect any transaction described in this Section 4.6(b) unless (a) it first gives, to the extent practicable, ten (10) days prior written notice (but in any event at least five (5) days prior written notice) of the record date of the special meeting of shareholders to approve, or if there is no such record date, the consummation of, such merger, consolidation, exchange of shares, recapitalization, reorganization or other similar event or sale of assets (during which time the Holder shall be entitled to convert this Note) and (b) the resulting successor or acquiring entity (if not the Borrower) assumes by written instrument the obligations of this Note. The above provisions shall similarly apply to successive consolidations, mergers, sales, transfers or share exchanges.

(c) Adjustment Due to Distribution. If the Borrower shall declare or make any distribution of its assets (or rights to acquire its assets) to holders of Common Stock as a dividend, stock repurchase, by way of return of capital or otherwise (including any dividend or distribution to the Borrower's shareholders in cash or shares (or rights to acquire shares) of capital stock of a subsidiary (i.e., a spin-off)) (a "Distribution"), then the Holder of this Note shall be entitled, upon any conversion of this Note after the date of record for determining shareholders entitled to such Distribution, to receive the amount of such assets which would have been payable to the Holder with respect to the shares of Common Stock issuable upon such conversion had such Holder been the holder of such shares of Common Stock on the record date for the determination of shareholders entitled to such Distribution.

ARTICLE V. MISCELLANEOUS

5.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

5.2 Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or electronic mail, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by electronic mail, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be:

If to the Borrower, to:

Polar Power, Inc. 249 E. Gardena Blvd. Gardena, CA 90248 Attn: Chris Mayer, Co-Chief Executive Officer Email: cmayer@polarpowerinc.com

If to the Holder:

Vanquish Funding Group Inc. 1800 Diagonal Road, Suite 623 Alexandria VA 22314 Attn: Curt Kramer, President Email: ckramer6@bloomberg.net

5.3 Amendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the Holder. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument (and the other Notes issued pursuant to the Purchase Agreement) as originally executed, or if later amended or supplemented, then as so amended or supplemented.

5.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to be the benefit of the Holder and its successors and assigns. Each transferee of this Note must be an "accredited investor" (as defined in Rule 501(a) of the Securities and Exchange Commission). Notwithstanding anything in this Note to the contrary, this Note may be pledged as collateral in connection with a bona fide margin account or other lending arrangement; and may be assigned by the Holder without the consent of the Borrower.

5.5 Cost of Collection. If default is made in the payment of this Note, the Borrower shall pay the Holder hereof costs of collection, including reasonable attorneys' fees.

5.6 Governing Law. This Note shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Note shall be brought only in the Circuit Court of Fairfax County, Virginia or in the Alexandria Division of the United States District Court for the Eastern District of Virginia. The parties to this Note hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. The Borrower and Holder waive trial by jury. The Holder shall be entitled to recover from the Borrower its reasonable attorney's fees and costs. In the event that any provision of this Note or any other agreement delivered in connection herewith is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any such provision which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision of any agreement. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Note, any agreement or any other document delivered in connection with this Note by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

5.7 Purchase Agreement. By its acceptance of this Note, each party agrees to be bound by the applicable terms of the Purchase Agreement.

5.8 Remedies. The Borrower acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Holder, by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Borrower acknowledges that the remedy at law for a breach of its obligations under this Note will be inadequate and agrees, in the event of a breach or threatened breach by the Borrower of the provisions of this Note, that the Holder shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Note and to enforce specifically the terms and provisions thereof, without the necessity of showing economic loss and without any bond or other security being required.

IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized officer this on November 5, 2026

Polar Power, Inc.

By: /s/ Chris Mayer
Chris Mayer
Co-Chief Executive Officer

EXHIBIT A – WIRE INSTRUCTIONS

[to be provided via email]

EXHIBIT B — NOTICE OF CONVERSION

The undersigned hereby elects to convert $_____ principal amount of the Note (defined below) into that number of shares of Common Stock to be issued pursuant to the conversion of the Note ("Common Stock") as set forth below, of Polar Power, Inc., a Delaware corporation (the "Borrower") according to the conditions of the convertible note of the Borrower dated as of November 5, 2026 (the "Note"), as of the date written below. No fee will be charged to the Holder for any conversion,
except for transfer taxes, if any.

Box Checked as to applicable instructions:

[ ] The Borrower shall electronically transmit the Common Stock issuable pursuant to this Notice of Conversion to the account of the undersigned or its nominee with DTC through its Deposit Withdrawal Agent Commission system ("DWAC Transfer").

Name of DTC Prime Broker:
Account Number:

[ ] The undersigned hereby requests that the Borrower issue a certificate or certificates for the number of shares of Common Stock set forth below (which numbers are based on the Holder's calculation attached hereto) in the name(s) specified immediately below or, if additional space is necessary, on an attachment hereto:

Date of conversion:		_____
Applicable Conversion Price:	$	_____
Number of shares of common stock to be issued pursuant to conversion of the Notes:		_____
Amount of Principal Balance due remaining under the Note after this conversion:		_____

By: _____
Name:
Title:
Date: _____

Exhibit 4.10

AMENDMENT #1 TO PROMISSORY NOTE

POLAR POWER, INC., a Delaware Corporation (the "Company"), and CFI CAPITAL LLC, a Florida limited liability company (the "Investor"), hereby agree that the certain 6% Convertible Redeemable Note originally issued by the Company to the Investor on May 21, 2026, in the principal amount of $600,000 (the "Note"), is amended as follows:

1. Section 4(a) of the Note is amended to read as follows:

The Holder of this Note is entitled, at its option, at any time, to convert all or any amount of the principal face amount of this Note then outstanding into shares of the Company's common stock (the "Common Stock") at a price ("Conversion Price") for each share of Common Stock equal to 80% of the lowest daily VWAP of the Common Stock as reported on the OTC Markets on which the Company's shares are then traded or any exchange upon which the Common Stock may be traded in the future (the "Exchange"), for the ten (10) prior trading days including the day upon which a Notice of Conversion is received by the Company (provided such Notice of Conversion is duly executed by the Holder and is delivered together with a duly executed Opinion of Counsel, by fax or other electronic method of communication to the Company after 4 P.M. Eastern Standard or Daylight Savings Time if the Holder wishes to include the same day closing price). Notwithstanding the foregoing, if the Company is subsequently delisted on the national securities exchange and automated quotation system ("NASDAQ"), the Conversion Price shall instead equal 65% of the lowest trading price of the Common Stock within the prior twenty (20) trading days. For purposes of the above calculations, a day shall not be considered a trading day if there was no trading volume for the Company's Common Stock for that particular day. If the shares have not been delivered within 2 business days, the Notice of Conversion may be rescinded. Such conversion shall be effectuated by the Company delivering the shares of Common Stock to the Holder within 2 business days of receipt by the Company of the Notice of Conversion. Accrued, but unpaid interest shall be subject to conversion. No fractional shares or scrip representing fractions of shares will be issued on conversion, but the number of shares issuable shall be rounded to the nearest whole share. To the extent the Conversion Price of the Company's Common Stock closes below the par value per share, the Company will take all steps necessary to solicit the consent of the stockholders to reduce the par value to the lowest value possible under law or to conduct a reverse split at a ratio determined by the Company's board of directors. The Company agrees to honor all conversions submitted pending this increase or such stock split, as applicable. In the event the Company experiences a DTC "Chill" on its shares, the conversion price shall be decreased to 70% instead of 80% while that "Chill" is in effect. In no event shall the Holder be allowed to effect a conversion if such conversion, along with all other shares of Company Common Stock beneficially owned by the Holder and its affiliates would exceed 4.99% of the outstanding shares of the Common Stock of the Company (which may be increased up to 9.9% upon 60 days' prior written notice by the Holder to the Company). The Conversion Price, conversion discount, and lookback period (collectively, the "Conversion Terms") will be adjusted in favor of the Holder if the Company issues securities to another party with more favorable Conversion Terms.

2. Continuation. Except as expressly modified by this Amendment, all other terms, covenants, and conditions of the Note shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed effective November 16, 2026.

POLAR POWER, INC

By: /s/ Chris Mayer
Name: Chris Mayer
Title: Chief Executive Officer

CFI CAPITAL LLC

By: /s/ Ahron Fraiman
Name: Ahron Fraiman
Title: Manager

Exhibit 10.10

NOTICE OF ADDITIONAL EVENTS OF DEFAULT AND MODIFICATIONS TO FORBEARANCE AGREEMENT AND LOAN DOCUMENTS

This **Notice of Additional Events of Default and Modifications to Forbearance Agreement and Loan Documents** (this *Modification*) is entered into by and between **POLAR POWER, INC., a Delaware corporation** (*Borrower*), and **PINNACLE BANK, a California corporation** (*Lender*), as of this 31st day of July, 2026 at **Salinas, California**.

RECITALS

A. Lender and Borrower previously entered into a Loan and Security Agreement dated as of August 31, 2020, as modified from time to time pursuant to one or more Modifications to Loan and Security Agreement (collectively, the *Loan Agreement*). Initially capitalized terms used but not defined herein shall have the meanings set forth in the Loan Agreement or the Forbearance Agreement (as defined below), as applicable.

B. Lender and Borrower previously entered into a Notice of Additional Defaults and Forbearance Agreement, effective as of March 10, 2026, as modified from time to time pursuant to one or more Modifications to Forbearance Agreement (collectively, the *Forbearance Agreement*).

C. Borrower and Roth Principal Investments (*Roth*) are contemporaneously herewith entering into a common stock purchase agreement relating to Roth's purchase of up to $25,000,000 of Borrower's Common Stock (the *Roth Purchase Agreement*).

D. Borrower has requested and Lender (subject to fulfillment of the Conditions Precedent set forth below) has agreed to: (a) modify the Forbearance Agreement including extending the Stated Forbearance Termination Date set forth therein, and (b) modify the Loan Documents.

AGREEMENT

For good and valuable consideration, the parties agree as set forth below:

1. Incorporation by Reference. The Loan Agreement, the Forbearance Agreement and the above Recitals are incorporated herein by this reference.

2. Effective Date. The terms of this Modification shall become effective upon fulfillment of the Conditions Precedent set forth below as required by Lender.

3. **Notice of Additional Events of Default. NOTICE IS HEREBY GIVEN** of the occurrence of the following additional Events of Default (the *Additional Defaults*) under the Loan Agreement (such Additional Defaults shall be included in the Specified Existing Defaults under the Forbearance Agreement):

(a) On or about May 21, 2026, Borrower breached Section 7.1 of the Loan Agreement due to Borrower's entering into a 6% convertible redeemable note (the *CFI Agreement*) with, and obtaining a $600,000 loan from, CFI Capital LLC (*CFI*) in breach of the terms of such Section, with such breach resulting in an Event of Default under Section 8.2 of the Loan Agreement.

(b) On or about May 21, 2026, Borrower breached Section 7.1 of the Loan Agreement due to Borrower's entering into a 6% convertible redeemable note (the *Monroe Agreement*) with, and obtaining a $370,600 loan from, Monroe Street Capital Partners, LP (*Monroe*) in breach of the terms of such Section, with such breach resulting in an Event of Default under Section 8.2 of the Loan Agreement.

(c) On or about June 30, 2026, Borrower breached Section 7.1 of the Loan Agreement due to Borrower's entering into a convertible promissory note (the *Mayers Agreement*) with, and obtaining a $275,000 loan from, Mayers (*Mayers*) in breach of the terms of such Section, with such breach resulting in an Event of Default under Section 8.2 of the Loan Agreement.

4. Modifications to Forbearance Agreement.

(a) The *Additional Defaults* set forth in Section 3 of that certain Notice of Additional Events of Default and Modifications to Forbearance Agreement and Loan Documents, dated as of July 31, 2026 (the *Forbearance Modification*) shall hereafter be included in the "Specified Existing Defaults" under the Forbearance Agreement.

(b) The "Stated Forbearance Termination Date" set forth in Section 5 of the Forbearance Agreement is hereafter extended from July 31, 2026 to August 31, 2026, and shall be automatically extended to September 30, 2026 if Borrower has timely made all of the Scheduled Payments (as defined below) through August 28, 2026.

(c) The Forbearance Agreement is hereafter amended to add the following new subparagraphs 6(b)(iv), 6(b)(v), and 6(b)(vi):

"(iv) with respect to the outstanding Obligations, same shall be permanently reduced to the following amounts on or prior to the following indicated dates: $2,031,840.84, August 7, 2026; $1,831,840.84, August 14, 2026; $1,531,840.84, August 21, 2026; $1,331,840.84, August 28, 2026; $981,840.84, September 4, 2026; $781,840.84, September 11, 2026; $381,840.84, September 18, 2026; $181,840.84, September 25, 2026; and $0, September 30, 2026 (the "Outstanding Obligations Paydowns");

(v) with respect to the sales of Borrower's common stock pursuant to the Roth Purchase Agreement (as defined in the Forbearance Modification), sales proceeds received by Borrower from such sales transactions shall be reserved for Lender's benefit and applied by Borrower to satisfy the Outstanding Obligations Paydowns by their respective deadlines; and

(vi) on or prior to August 30, 2026, in connection with the CFI Agreement, the Monroe Agreement and the Mayers Agreement set forth in the Forbearance Modification, Borrower shall have provided Lender with subordination agreements from CFI, Monroe and Mayers, respectively, in form and substance acceptable to Lender."

5. Modifications to Loan Agreement.

(a) Lender's address in the Preamble is hereafter amended from 18181 Butterfield Blvd., Suite 135, Morgan Hill, California 95037 to 1276 S. Main Street, Salinas, California 93901.

(b) The first three sentences of Section 6.1 of the Loan Agreement are hereafter amended to read as follows, with the remainder of Section 6.1 to remain unchanged and in full force and effect:

"If required by Lender, Borrower shall at least weekly report to Lender all sales and Accounts arising since its most recent report to Lender and shall provide copies of all invoices, together with supporting shipping documentation acceptable to Lender. Borrower shall also cause Lender to be provided with ongoing access to any Account debtor accounts payable web portals as required by Lender, but if such access is not possible, Borrower will provide screenshots from any Account debtor portals, as requested by Lender. If required by Lender, Borrower shall execute and deliver to Lender the following (no later than the tenth (10th) day of each month during the Term, and as of the last day of the prior month): a detailed aging of the Accounts, a reconciliation statement and a summary aging, by vendor, of all accounts payable of Borrower and any book overdraft."

(c) Section 6.4 of the Loan Agreement is hereafter amended in its entirety to read as follows:

"**6.4 Financial Statements, Reports, Certificates**. If required by Lender, Borrower shall deliver to Lender: (a) as soon as available, but in any event within forty-five (45) days after the end of each of Borrower's fiscal quarters during the Term, a balance sheet and profit and loss statement prepared by Borrower covering Borrower's operations during such period; and (b) as soon as available, but in any event within one hundred twenty (120) days after the end of each of Borrower's fiscal years, financial statements of Borrower for each such fiscal period, prepared by Borrower and acceptable to Lender. Such financial statements shall include a balance sheet and profit and loss statement, and shall be prepared in accordance with GAAP. Together with the above, Borrower (if required by Lender) shall also deliver Borrower's Form 10-Qs, 10-Ks or 8-Ks, if any, as soon as the same become available, and any other report reasonably requested by Lender relating to the Collateral and the financial condition of Borrower and a certificate signed by its chief financial officer to the effect that all reports, statements or computer prepared information of any kind or nature delivered or caused to be delivered to Lender under this Section 6.4 fairly present its financial condition and that there exists on the date of delivery of such certificate to Lender no condition or event which constitutes an Event of Default. If required by Lender, Borrower will also furnish to Lender by no later than thirty (30) days in advance of each fiscal year, Borrower's fiscal year projections on a monthly basis of the balance sheet, profit and loss, cash flow and borrowing availability for the upcoming fiscal year, with such projections to be in form and detail satisfactory to Lender."

(d) The first sentence of Section 6.5 of the Loan Agreement is hereafter amended to read as follows, with the remainder of Section 6.5 to remain unchanged and in full force and effect:

"If required by Lender, Borrower shall deliver to Lender copies of each of its future federal income tax returns, and any amendments thereto as soon as same are available and in any event within thirty (30) days after same are required to be filed by law."

(e) Section 6.6 of the Loan Agreement is hereafter amended in its entirety to read as follows:

"**6.6 Guarantor Reports**. If required by Lender, Borrower agrees to cause each Guarantor to deliver: (a) its annual financial statements upon the earlier to occur of (i) delivery of copies of its federal income tax returns as required below, or (ii) one year from the date of delivery of its prior financial statements to Lender; and (b) and copies of all federal income tax returns as soon as the same are available and in any event no later than thirty (30) days after the same are required to be filed by law."

(f) The second sentence of the first paragraph of Section 15 of the Loan Agreement is hereafter amended to read as follows, with the remainder of such paragraph and such Section 15 to remain unchanged and in full force and effect:

"THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THE LOAN DOCUMENTS SHALL BE TRIED AND LITIGATED ONLY IN THE STATE COURTS LOCATED IN THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, THE FEDERAL COURTS WHOSE VENUE INCLUDES THE STATE OF CALIFORNIA, OR AT THE SOLE OPTION OF LENDER, IN ANY OTHER COURT IN WHICH LENDER SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY."

(g) The first sentence of the second paragraph of Section 15 of the Loan Agreement is hereafter amended to read as follows, with the remainder of such paragraph and such Section 15 to remain unchanged and in full force and effect:

"WITHOUT INTENDING IN ANY WAY TO LIMIT THE PARTIES' AGREEMENT TO WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY, if the above waiver of the right to a trial by jury is not enforceable, the parties hereto agree that any and all disputes or controversies of any nature between them arising at any time shall be decided by a reference to a private judge, mutually selected by the parties (or, if they cannot agree, by the Presiding Judge of the Monterey County, California Superior Court) appointed in accordance with California Code of Civil Procedure §638 as such section may be amended and/or re-numbered from time to time (or pursuant to comparable provisions of federal law if the dispute falls within the exclusive jurisdiction of the federal courts), sitting without a jury, in Monterey County, California; and the parties hereby submit to the jurisdiction of such court."

(h) The concluding sentence to the Loan Agreement is hereafter amended in its entirety to read as follows:

"Borrower and Lender retroactively deem this Agreement executed and delivered at Lender's place of business in Salinas, California as of the date first above written."

6. Modifications to Loan Documents. All references in the Loan Documents (excluding the Loan Agreement) to Lender's address at 18181 Butterfield Blvd., Suite 135, Morgan Hill, California 95037 are hereby amended to 1276 S. Main Street, Salinas, California 93901.

7. Conditions Precedent. The effectiveness of this Modification is conditioned upon fulfillment of the following conditions precedent as required by Lender, with any unfulfilled conditions precedent (unless waived by Lender) to become conditions subsequent to be immediately satisfied:

(a) Borrower shall have executed and delivered this Modification to Lender;

(b) Borrower shall have paid Lender a fee in the amount of Thirty Thousand Dollars ($30,000.00) in consideration of Lender's agreements: (i) not to terminate the Forbearance Period as a result of the Additional Defaults; and (ii) to extend the Stated Forbearance Termination Date; which fee shall be fully earned upon the execution of this Modification, and which fee may be charged as an Advance under the Loan Agreement and added to the Obligations regardless of whether an Overadvance will result;

(c) Borrower shall have provided Lender with copies of the CFI Agreement (and related documents), the Monroe Agreement (and related documents), the Mayers Agreement (and related documents), and the Roth Agreement (and related documents), with Lender's entering into this Modification not to be deemed Lender's consent to any terms of any such agreements that would constitute an Event of Default under the Loan Agreement, with Lender reserving all rights and remedies arising from any such Event of Default;

(d) The delivery, execution, resolution and/or completion (as applicable), to Lender's satisfaction, of all other documents, matters or acts required by Lender in connection with this Modification including, without limitation:

(i) N/A; and

(e) Borrower shall have paid Lender's attorneys' fees and costs incurred in connection with the preparation and negotiation of this Modification and related documents, which fees and costs (at Lender's option) may be charged as Advances under the Loan Agreement and added to the Obligations regardless of whether an Overadvance will result.

8. Releases. In consideration of Lender's agreement to enter into this Modification, Borrower releases Lender and its respective agents, employees, officers, directors, attorneys, representatives, insurers, and successors and assigns (individually and collectively, the ***Released Parties***), from any and all claims, whether or not such claims are known, unknown or suspected to exist, and causes of action which have been sustained or may be sustained, relating in any way to the lending relationship between Lender and Borrower (individually and collectively, the ***Released Matters***). Borrower covenants and agrees that neither it nor its agents, employees or successors and assigns will hereafter commence, maintain or prosecute any action at law or otherwise, or assert any claim against the Released Parties, for damages or loss of any kind or amount arising out of the subject matter of the Released Matters. It is the intention of Borrower that this release shall be effective in full and final accord and satisfaction and release of and from all Released Matters. Borrower hereby waives any and all rights which it has or may have against the Released Parties under the provisions of Section 1542 of the California Civil Code (or other applicable law) as now worded and hereafter amended, which section presently read as follows:

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

9. Reaffirmations. Borrower hereby ratifies, reaffirms, and remakes as of the date hereof: (a) each and every representation and warranty contained in the Loan Agreement, the Loan Documents and the Forbearance Agreement (as such representations and warranties may have been amended by this Modification); and (b) the waiver of the right to trial by jury contained in the Loan Agreement, the Loan Documents and the Forbearance Agreement.

10. Legal Effect. Except as specifically modified by this Modification, all of the terms and conditions of the Loan Agreement, the Loan Documents, and the Forbearance Agreement remain unchanged and in full force and effect.

11. No Waiver of Other Events of Default. As of the date hereof, Lender may have knowledge of the existence of other events of default (not specified herein) and/or Lender may have been unable to ascertain the existence of other unknown events of default, and Lender's failure to refer herein to any such known or unknown existing events of default shall not be deemed a waiver of any such known or unknown existing events of default or Lender's rights and remedies resulting therefrom.

12. Counterparts. This Modification may be executed in any number of counterparts, each of which shall be deemed an original but all of which taken together shall constitute a single original.

13. Electronic Signature. This Modification, or a signature page thereto intended to be attached to a copy of this Agreement, signed and transmitted by facsimile machine, telecopier or other electronic means (including via DocuSign or transmittal of a ".pdf" file) shall be deemed and treated as an original document. The signature of any person thereon, for purposes hereof, is to be considered as an original signature, and the document transmitted is to be considered to have the same binding effect as an original signature on an original document. At the request of any party hereto, any facsimile, telecopy or other electronic document is to be re-executed in original form by the person who executed the facsimile, telecopy of other electronic document. No party hereto may raise the use of a facsimile machine, telecopier or other electronic means or the fact that any signature was transmitted through the use of a facsimile machine, telecopier or other electronic means as a defense to the enforcement of this Modification.

14. Integration. This is an integrated Modification and supersedes all prior negotiations and agreements regarding the subject matter hereof. All amendments hereof must be in writing and signed by the parties.

[Remainder of Page Intentionally Left Blank; Signatures on Next Page]

IN WITNESS WHEREOF, the parties have executed this Notice of Additional Events of Default and Modifications to Forbearance Agreement and Loan Documents as of the date first set forth above.

POLAR POWER, INC.,
a Delaware corporation

By: /s/ Arthur D. Sams
Name: Arthur D. Sams
Title: CEO & Secretary

PINNACLE BANK,
a California corporation

By: /s/ Kevin O'Hare
Name: Kevin O'Hare
Title: President, Pinnacle Capital Finance

Exhibit 10.12

EXCHANGE AGREEMENT

This Exchange Agreement (this "Agreement"), dated as of October 22, 2026, is made by and between Polar Power, Inc., a Delaware corporation (the "Company"), and Arthur Sams, holder of the Notes described below (the "Holder").

WHEREAS, between October 2025 and April 2026, the Company issued to Arthur Sams the promissory notes set forth on Annex A hereto (collectively, the "Notes"), and, as of the date of this Agreement, the aggregate outstanding balance of the Notes is $172,186; and

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended (the "Securities Act"), the Company and Arthur Sams desire to effect an exchange (the "Exchange") in which Arthur Sams will surrender $161,276 of the outstanding balance of the Notes (the "Exchange Consideration") for 202 shares of the Company's Series A Convertible Preferred Stock (the "Preferred Stock") and a warrant (the "Warrant") to purchase 100,798 shares of the Company's common stock, par value $0.0001 per share ("Common Stock"), at an exercise price of $0.61 per share; and

WHEREAS, Arthur Sams has directed the Company to issue the Preferred Stock and the Warrant to AstraBridge Inc. and assigns to AstraBridge Inc. all of his right, title and interest in and to such Preferred Stock and Warrant as full payment and satisfaction of a note payable owed by Arthur Sams to AstraBridge Inc.;

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Holder agree as follows.

1. Terms of the Exchange.

(1) a. Obligations to be Exchanged. The Exchange Consideration of $161,276 will be applied to the outstanding balance of the Notes.

(1) b. Obligations Remaining. Following the Exchange, $10,910 of the aggregate outstanding balance of the Notes will remain unpaid and outstanding.

(B) Closing.

b. General. Upon execution of this Agreement, a closing shall occur at the principal offices of the Company, or such other location as the parties shall mutually agree.

(1) b. Deliverables; Direction and Assignment. At closing, at the irrevocable direction of Arthur Sams, the Company shall deliver directly to AstraBridge Inc. (a) the Preferred Stock by notation on the books and records of the Company that AstraBridge Inc. is the record owner of the Preferred Stock and (b) the Warrant in the form of a duly executed Common Stock Purchase Warrant in form and substance materially consistent with those issued by the Company on July 21, 2026, except that the Termination Date shall be three years from the date of issuance of the Warrant, the initial Exercise Price shall be $0.61, and the number of Warrant Shares shall be 100,798. Effective upon such delivery, Arthur Sams hereby assigns, transfers and conveys to AstraBridge Inc. all of his right, title and interest in and to the Preferred Stock and the Warrant as full payment and satisfaction of the note payable owed by Arthur Sams to AstraBridge Inc.

(ii) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

2. Representations and Warranties of the Holder. The Holder represents and warrants as of the date hereof and as of the closing to the Company as follows.

a. Authorization; Enforcement. This Agreement has been duly executed by the Holder and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of the Holder enforceable against the Holder in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

b. Tax Advisors. The Holder has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. With respect to such matters, the Holder relied solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Holder understands that it (and not the Company) shall be responsible for its own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

c. Information Regarding Holder. The Holder is an "accredited investor," as such term is defined in Rule 501 of Regulation D promulgated by the United States Securities and Exchange Commission (the "Commission") under the Securities Act, is experienced in investments and business matters, has made investments of a speculative nature and has purchased securities of companies in private placements in the past and, with its representatives, has such knowledge and experience in financial, tax and other business matters as to enable the Holder to utilize the information made available by the Company to evaluate the merits and risks of and to make an informed investment decision with respect to the proposed purchase, which represents a speculative investment. The Holder has the authority and is duly and legally qualified to purchase and hold the Preferred Stock. The Holder is able to bear the risk of such investment for an indefinite period and to afford a complete loss thereof.

d. Legend. The Holder understands that the Preferred Stock (and any Common Stock into which the Preferred Stock may be converted) will be issued pursuant to an exemption from registration or qualification under the Securities Act and applicable state securities laws, and except as set forth below, the Preferred Stock (and any Common Stock into which the Preferred Stock may be converted) shall bear any legend as required by the "blue sky" laws of any state and a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such stock certificates).

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE TRANSFERRED UNLESS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, A "NO-ACTION" LETTER FROM THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION") WITH RESPECT TO SUCH TRANSFER, A TRANSFER MEETING THE REQUIREMENTS OF RULE 144 OF THE COMMISSION, OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY SUCH TRANSFER IS EXEMPT FROM SUCH REGISTRATION.

e. Removal of Legends. Certificates evidencing the Preferred Stock (and any Common Stock into which the Preferred Stock may be converted) shall not be required to contain the legend set forth in Section 4(d) above or any other legend (i) while a registration statement covering the resale of such securities is effective under the Securities Act, (ii) following any sale of such securities pursuant to Rule 144 under the Securities Act (assuming the transferor is not an affiliate of the Company), (iii) if such securities are eligible to be sold, assigned or transferred under Rule 144 and the Holder is not an affiliate of the Company (provided, that the Holder provides the Company with reasonable assurances that such securities are eligible for sale, assignment or transfer under Rule 144 which shall include an opinion of the Holder's counsel), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that the Holder provides the Company with an opinion of counsel to the Holder, in a generally acceptable form, to the effect that such sale, assignment or transfer of the shares may be made without registration under the applicable requirements of the Securities Act or (v) if such legend is not required under applicable requirements of the Securities Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the Commission).

f. Restricted Securities. The Holder understands that: (i) the Preferred Stock has not been and is not being registered under the Securities Act or any state securities laws, and the Preferred Stock (and any Common Stock into which the Preferred Stock may be converted) may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, (B) the Holder shall have delivered to the Company (if requested by the Company) an opinion of counsel to the Holder, in a form reasonably acceptable to the Company, to the effect that such securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration, or (C) the Holder provides the Company with reasonable assurance that such securities can be sold, assigned or transferred pursuant to Rule 144; and (ii) any sale of the securities made in reliance on Rule 144 may be made only in accordance with the terms of Rule 144, and further, if Rule 144 is not applicable, any resale of the securities under circumstances in which the seller (or the Person (as defined herein) through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the Commission promulgated thereunder.

3. Representations and Warranties of the Company. The Company hereby makes the following representations and warranties to each Holder:

a. Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement and otherwise to carry out its obligations hereunder. The execution and delivery of this Agreement by the Company and the consummation by it of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the board of directors of the Company or the Company's stockholders in connection therewith, including, without limitation, the issuance of the Preferred Stock. This Agreement has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

b. Organization and Qualification. The Company is duly organized and validly existing and in good standing under the laws of the State of Delaware, and has the requisite power and authorization to own its properties and to carry on its business as now being conducted and as presently proposed to be conducted. The Company is duly qualified as a foreign entity to do business and is in good standing in every jurisdiction in which its ownership of property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect. As used in this Agreement, "Material Adverse Effect" means any material adverse effect on (i) the business, properties, assets, liabilities, operations (including results thereof), condition (financial or otherwise) or prospects of the Company, (ii) the transactions contemplated hereby or (iii) the authority or ability of the Company to perform any of its obligations under this Agreement.

c. No Conflict. The execution, delivery and performance of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby (including, without limitation, the issuance of the Preferred Stock) will not (i) result in a violation of the Company's Second Amended and Restated Certificate of Incorporation or other organizational documents of the Company, any capital stock of the Company or Amended and Restated Bylaws of the Company, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including foreign, federal and state securities laws and regulations applicable to the Company or by which any property or asset of the Company is bound or affected except, in the case of clause (ii) or (iii) above, to the extent such violations that could not reasonably be expected to have a Material Adverse Effect.

d. No Consents. The Company is not required to obtain any consent from, authorization or order of, or make any filing or registration with, any court, governmental agency or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its respective obligations under or contemplated by this Agreement, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date of this Agreement, and the Company is not aware of any facts or circumstances which might prevent the Company from obtaining or effecting any of the registration, application or filings contemplated by this Agreement. "Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and any governmental entity or any department or agency thereof.

e. Securities Law Exemptions. Assuming the accuracy of the representations and warranties of the Holder contained herein, the offer and issuance by the Company of the Preferred Stock is exempt from registration under the Securities Act pursuant to the exemption provided by Section 3(a)(9) thereof. The Company covenants and represents to the Holder that the Company has not received, anticipates receiving, has any agreement to receive or has been given any promise to receive any consideration from the Holder or any other Person in connection with the transactions contemplated by this Agreement.

f. Issuance of the Preferred Stock. The issuance of the Preferred Stock is duly authorized by the Company and when the Preferred Stock is issued it will be duly and validly issued, fully paid and non-assessable, free from all taxes, liens, charges and other encumbrances imposed by the Company other than restrictions on transfer.

g. Shell Company Status. The Company is not, and has never been, an issuer identified in, or subject to, Rule 144(i) of the Securities Act.

4. Exchange Cap. The Company and the Holder agree that the issuance of Common Stock upon conversion of the Preferred Stock and the exercise of the Warrant is limited by the terms of the Certificate of Designations governing the Preferred Stock and the terms of the Warrant and that, until the Requisite Stockholder Approval has been obtained, the aggregate Common Stock that may be issued pursuant to the securities issued hereunder shall not exceed 19.9% of the total Common Stock issued and outstanding on the date hereof.

5. Miscellaneous.

a. Definitions. Capitalized terms used but not defined herein shall have the meanings given them in the Certificate of Designations for the Preferred Stock.

b. Registration Rights. The Company agrees to file a registration statement with the Securities and Exchange Commission for the resale by the Holder of the Common Stock issuable in respect of the Preferred Stock and the Warrant. If requested by the Holder, the Company agrees to enter into a Registration Rights Agreement in respect thereof that is consistent in all material respects with the Registration Rights Agreement entered into by the Company on July 21, 2026.

c. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

d. Governing Law; Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by and construed under the laws of the State of New York, without regard to the choice of law principles thereof. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the State of New York, City of New York for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby, and hereby irrevocably waives any objection that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

e. Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

f. Counterparts/Execution. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains an electronic file of an executed signature page, such signature page shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or electronic file signature page (as the case may be) were an original thereof.

g. Notices. Any notice or communication permitted or required hereunder shall be in writing and shall be deemed sufficiently given if hand-delivered or sent (i) postage prepaid by registered mail, return receipt requested, or (ii) by email, to the respective parties as set forth below, or to such other address as either party may notify the other in writing.

If to the Company, to:

Polar Power, Inc.
249 E. Gardena Boulevard Gardena,
California 90248
Attn: Luis Zavala
Email: lzavala@polarpowerinc.com

With a copy to (which shall not constitute notice):

Loeb & Loeb, LLP 345 Park Ave.
New York, NY 10154
Attn: Mitchell Nussbaum

If to AstraBridge Inc., as assignee, to:

AstraBridge Inc. 30 N.
Gould St., Ste. R Sheridan,
WY 82801 Gardena,
California 90248

h. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the parties with regard to the subject matter hereof and thereof, superseding all prior agreements or understandings, whether written or oral, between the parties. This Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by all parties, or, in the case of a waiver, by the party waiving compliance. Except as expressly stated herein, no delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder preclude any other or future exercise of any other right, power or privilege hereunder.

i. Headings. The headings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

[SIGNATURE PAGE FOLLOW]

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

COMPANY:

By: /s/ Luis Zavala
Name: Luis Zavala
Title: Chief Financial Officer

HOLDER:

By: /s/ Arthur Sams
Arthur Sams

ACKNOWLEDGED AND ACCEPTED BY ASSIGNEE:

AstraBridge Inc.

By: /s/ Suneetha Reddy Y
Name: Suneetha Reddy Y
Title: Director

ANNEX A
List of Outstanding Notes

Note #	Current Issue Date	Accrued Initial Principal	Principal	Interest	Total Outstanding
1	10/3/2025	$ 100,000	$ 7,731	$ 263	$ 7,994
2	4/10/2026	150,000	150,000	14,455	164,192
Totals		$ 250,000	$ 157,731	$ 14,718	$ 172,186

Exhibit 10.13

SECURITIES PURCHASE AGREEMENT

This SECURITIES PURCHASE AGREEMENT (the "Agreement"), dated as of November 5, 2026, by and between Polar Power, Inc., a Delaware corporation, with its address at 249 E. Gardena Blvd., Gardena, CA 90248 (the "Company"), and Vanquish Funding Group Inc., a Virginia corporation, with its address at 1800 Diagonal Road, Suite 623, Alexandria VA 22314 (the "Buyer").

WHEREAS:

A. The Company and the Buyer are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by the rules and regulations as promulgated by the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "1933 Act"); and

B. Buyer desires to purchase and the Company desires to issue and sell, upon the terms and conditions set forth in this Agreement, a promissory note of the Company, in the form attached hereto as Exhibit A, in the aggregate principal amount of $353,050.00 (including $46,050.00 of Original Issue Discount) (the "Note").

NOW THEREFORE, the Company and the Buyer severally (and not jointly) hereby agree as follows:

1. Purchase and Sale of the Securities.

a. Purchase of the Securities. On the Closing Date (as defined below), the Company shall issue and sell to the Buyer and the Buyer agrees to purchase from the Company the Securities as is set forth immediately below the Buyer's name on the signature pages hereto.

b. Form of Payment. On the Closing Date (as defined below), (i) the Buyer shall pay the purchase price for the Securities be issued and sold to it at the Closing (as defined below) (the "Purchase Price") by wire transfer of immediately available funds to the Company, in accordance with the Company's written wiring instructions, against delivery of the Securities, and (ii) the Company shall deliver such duly executed Note on behalf of the Company against delivery of such Purchase Price.

c. Closing Date. Subject to the satisfaction (or written waiver) of the conditions thereto set forth in Section 6 and Section 7 below, the date and time of the issuance and sale of the Securities pursuant to this Agreement (the "Closing Date") shall be 12:00 noon, Eastern Time on or about November 5, 2026, or such other mutually agreed upon time. The closing of the transactions contemplated by this Agreement (the "Closing") shall occur on the Closing Date at such location as may be agreed to by the parties.

2. Buyer's Representations and Warranties. The Buyer represents and warrants to the Company that:

a. Investment Purpose. As of the date hereof, the Buyer is purchasing the Note and the shares of Common Stock issuable upon conversion of or otherwise pursuant to the Note (such shares of Common Stock being collectively referred to herein as the "Conversion Shares" and, collectively with the Note, the "Securities") for its own account and not with a present view towards the public sale or distribution thereof, except pursuant to sales registered or exempted from registration under the 1933 Act.

b. Accredited Investor Status. The Buyer is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D (an "Accredited Investor").

c. Reliance on Exemptions. The Buyer understands that the Securities are being offered and sold to it in reliance upon specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying upon the truth and accuracy of, and the Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of the Buyer to acquire the Securities.

d. Information. The Company has not disclosed to the Buyer any material nonpublic information and will not disclose such information unless such information is disclosed to the public prior to or promptly following such disclosure to the Buyer.

e. Legends. The Buyer understands that the Securities have not been registered under the 1933 Act; and may bear a restrictive legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS INSTRUMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS, AND MAY NOT BE PLEDGED, SOLD, ASSIGNED, HYPOTHECATED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR (2) THE ISSUER OF SUCH SECURITIES RECEIVES AN OPINION OF COUNSEL TO THE BUYER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE REASONABLY ACCEPTABLE TO THE ISSUER'S TRANSFER AGENT, THAT SUCH SECURITIES MAY BE PLEDGED, SOLD, ASSIGNED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS."

The legend set forth above shall be removed and the Company shall issue a certificate without such legend to the Buyer of any Security upon which it is stamped, if, unless otherwise required by applicable state securities laws, (a) such Security is registered for sale under an effective registration statement filed under the 1933 Act or otherwise may be sold pursuant to an exemption from registration without any restriction as to the number of securities as of a particular date that can then be immediately sold, or (b) such Buyer provides the Company with an opinion of counsel, in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale or transfer of such Security may be made without registration under the 1933 Act, which opinion shall be accepted by the Company so that the sale or transfer is effected. The Buyer agrees to sell all Securities, including those represented by a certificate(s) from which the legend has been removed, in compliance with applicable prospectus delivery requirements, if any. In the event that the Company does not reasonably accept the opinion of counsel that properly conforms to applicable securities laws provided by the Buyer with respect to the transfer of any Securities pursuant to an exemption from registration, such as Rule 144, at the Deadline, it will be considered an Event of Default pursuant to Section 3.2 of the Note.

f. Authorization; Enforcement. This Agreement has been duly and validly authorized. This Agreement has been duly executed and delivered on behalf of the Buyer, and this Agreement constitutes a valid and binding agreement of the Buyer enforceable in accordance with its terms.

3. Representations and Warranties of the Company. The Company represents and warrants to the Buyer that:

a. Organization and Qualification. The Company and each of its Subsidiaries (as defined below), if any, is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, with full power and authority (corporate and other) to own, lease, use and operate its properties and to carry on its business as and where now owned, leased, used, operated and conducted. "Subsidiaries" means any corporation or other organization, whether incorporated or unincorporated, in which the Company owns, directly or indirectly, any equity or other ownership interest.

b. Authorization; Enforcement. (i) The Company has all requisite corporate power and authority to enter into and perform this Agreement, the Note and to consummate the transactions contemplated hereby and thereby and to issue the Securities, in accordance with the terms hereof and thereof, (ii) the execution and delivery of this Agreement, the Note by the Company and the consummation by it of the transactions contemplated hereby and thereby (including without limitation, the issuance of the Note has been duly authorized by the Company's Board of Directors and no further consent or authorization of the Company, its Board of Directors, or its shareholders is required, (iii) this Agreement has been duly executed and delivered by the Company by its authorized representative, and such authorized representative is the true and official representative with authority to sign this Agreement and the other documents executed in connection herewith and bind the Company accordingly, and (iv) this Agreement constitutes, and upon execution and delivery by the Company of the Note, each of such instruments will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

c. Capitalization. As of the date hereof, the authorized common stock of the Company consists of 50,000,000 authorized shares of Common Stock, $0.0001 par value per share, of which 4,309,319 shares are issued and outstanding. All of such outstanding shares of capital stock are, or upon issuance will be, duly authorized, validly issued, fully paid and non-assessable. No shares of capital stock of the Company are subject to preemptive rights or any other similar rights of the shareholders of the Company or any liens or encumbrances imposed through the actions or failure to act of the Company. As of the effective date of this Agreement, other than as publicly announced prior to such date and reflected in the SEC Documents filed by the Company, there are no outstanding options, warrants, scrip, rights to subscribe for, puts, calls, rights of first refusal, agreements, understandings, claims or other commitments or rights of any character whatsoever relating to, or securities or rights convertible into or exchangeable for any shares of capital stock of the Company or any of its Subsidiaries, or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its Subsidiaries, and there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of its or their securities under the 1933 Act and the Company has no obligation to purchase, redeem or otherwise acquire any of its equity securities. The Company has furnished to the Buyer true and correct copies of the Company's Certificate of Incorporation as in effect on the date hereof ("Certificate of Incorporation"), the Company's By-laws, as in effect on the date hereof (the "By-laws"), and the terms of all securities convertible into or exercisable for Common Stock of the Company and the material rights of the holders thereof in respect thereto.

d. Issuance of Shares. The Securities are duly authorized and reserved for issuance in accordance with its respective terms, will be validly issued, fully paid and non-assessable, and free from all taxes, liens, claims and encumbrances with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of shareholders of the Company and will not impose personal liability upon the Buyer thereof.

e. No Conflicts. The execution, delivery and performance of this Agreement, the Note by the Company and the consummation by the Company of the transactions contemplated hereby and thereby will not (i) conflict with or result in a violation of any provision of the Certificate of Incorporation or By-laws, or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both could become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture, patent, patent license or instrument to which the Company or any of its Subsidiaries is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and regulations of any self-regulatory organizations to which the Company or its securities are subject) applicable to the Company or any of its Subsidiaries or by which any property or asset of the Company or any of its Subsidiaries is bound or affected (except for such conflicts, defaults, terminations, amendments, accelerations, cancellations and violations as would not, individually or in the aggregate, have a Material Adverse Effect). The businesses of the Company and its Subsidiaries, if any, are not being conducted, and shall not be conducted so long as the Buyer owns any of the Securities, in violation of any law, ordinance or regulation of any governmental entity. "Material Adverse Effect" means any material adverse effect on the business, operations, assets, financial condition or prospects of the Company or its Subsidiaries, if any, taken as a whole, or on the transactions contemplated hereby or by the agreements or instruments to be entered into in connection herewith.

f. SEC Documents; Financial Statements. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "1934 Act") (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents (other than exhibits to such documents) incorporated by reference therein, being hereinafter referred to herein as the "SEC Documents"). Upon written request the Company will deliver to the Buyer true and complete copies of the SEC Documents, except for such exhibits and incorporated documents. As of their respective dates or if amended, as of the dates of the amendments, the SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

None of the statements made in any such SEC Documents is, or has been, required to be amended or updated under applicable law (except for such statements as have been amended or updated in subsequent filings prior the date hereof). As of their respective dates or if amended, as of the dates of the amendments, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with United States generally accepted accounting principles, consistently applied, during the periods involved and fairly present in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). The Company is subject to the reporting requirements of the 1934 Act.

g. Absence of Certain Changes. Since June 30, 2026, except as set forth in the SEC Documents, there has been no material adverse change and no material adverse development in the assets, liabilities, business, properties, operations, financial condition, results of operations, prospects or 1934 Act reporting status of the Company or any of its Subsidiaries.

h. Absence of Litigation. Except as set forth in the SEC Documents, there is no action, suit, claim, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the Company or any of its Subsidiaries, threatened against or affecting the Company or any of its Subsidiaries, or their officers or directors in their capacity as such, that could have a Material Adverse Effect. The Company and its Subsidiaries are unaware of any facts or circumstances which might give rise to any of the foregoing.

i. No Integrated Offering. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales in any security or solicited any offers to buy any security under circumstances that would require registration under the 1933 Act of the issuance of the Securities to the Buyer. The issuance of the Securities to the Buyer will not be integrated with any other issuance of the Company's securities (past, current or future) for purposes of any shareholder approval provisions applicable to the Company or its securities.

j. No Brokers. The Company has taken no action which would give rise to any claim by any person for brokerage commissions, transaction fees or similar payments relating to this Agreement or the transactions contemplated hereby.

k. No Investment Company. The Company is not, and upon the issuance and sale of the Securities as contemplated by this Agreement will not be an "investment company" required to be registered under the Investment Company Act of 1940 (an "Investment Company"). The Company is not controlled by an Investment Company.

l. Breach of Representations and Warranties by the Company. If the Company breaches any of the material representations or warranties set forth in this Section 3 which is continuing after the applicable cure period as set forth in the Note, if any, and in addition to any other remedies available to the Buyer pursuant to this Agreement, it will be considered an Event of default under Section 4.4 of the Note.

4. COVENANTS.

a. Best Efforts. The Company shall use its reasonable commercial efforts to satisfy timely each of the conditions described in Section 7 of this Agreement.

b. Use of Proceeds. The Company shall use the proceeds for general working capital purposes.

c. Expenses. At the Closing, the Company's obligation with respect to the transactions contemplated by this Agreement is to reimburse Buyer's expenses shall be $7,000.00 for Buyer's legal fees and due diligence fee.

d. Corporate Existence. So long as the Buyer beneficially owns any Note, the Company shall maintain its corporate existence and shall not sell all or substantially all of the Company's assets, except with the prior written consent of the Buyer.

e. Breach of Covenants. If the Company breaches any of the material covenants set forth in this Section 4, and in addition to any other remedies available to the Buyer pursuant to this Agreement which is continuing after the applicable cure period as set forth in the Note, it will be considered an event of default under Section 4.4 of the Note.

f. Failure to Comply with the 1934 Act. So long as the Buyer beneficially owns the Note, the Company shall comply with the reporting requirements of the 1934 Act; and the Company shall continue to be subject to the reporting requirements of the 1934 Act.

g. The Buyer is Not a "Dealer". The Buyer and the Company hereby acknowledge and agree that the Buyer has not: (i) acted as an underwriter; (ii) acted as a market maker or specialist; (iii) acted as "de facto" market maker; or (iv) conducted any other professional market activities such as providing investment advice, extending credit and lending securities in connection; and thus that the Buyer is not a "Dealer" as such term is defined in the 1934 Act.

h. Shorting; No Hedging. So long as any portion of the Note remains outstanding, the Buyer agrees that neither it nor any of its affiliates shall, directly or indirectly, engage in any short sales of the Company's Common Stock, or enter into any hedging, swap, derivative or other transaction that establishes or maintains a net short position with respect to the Common Stock, or otherwise take any action that would have the effect of decreasing the trading price of the Common Stock. The foregoing shall not prohibit the Buyer from selling Conversion Shares after such Conversion Shares have been delivered to the Buyer in accordance with the Note.

5. Transfer Agent Instructions. The Company shall issue irrevocable instructions to its transfer agent to issue certificates, registered in the name of the Buyer or its nominee, for the shares underlying any conversion of the Note upon default of the Note (the "Conversion Shares") in such amounts as specified from time to time by the Buyer to the Company upon conversion of the Note in accordance with the terms thereof (the "Irrevocable Transfer Agent Instructions"). In the event that the Company proposes to replace its transfer agent, the Company shall provide, prior to the effective date of such replacement, a fully executed Irrevocable Transfer Agent Instructions in a form as initially delivered pursuant to this Agreement (including but not limited to the provision to irrevocably reserve shares of Common Stock in the Reserved Amount as such term is defined in the Note) signed by the successor transfer agent to Company and the Company. Prior to registration of the Conversion Shares under the 1933 Act or the date on which the Conversion Shares may be sold pursuant to an exemption from registration, all such certificates shall bear the restrictive legend specified in Section 2(e) of this Agreement. The Company warrants that: (i) no instruction other than the Irrevocable Transfer Agent Instructions referred to in this Section 5, will be given by the Company to its transfer agent and that the Securities shall otherwise be freely transferable on the books and records of the Company as and to the extent provided in this Agreement and the Note; (ii) it will not direct its transfer agent not to transfer or delay, impair, and/or hinder its transfer agent in transferring (or issuing)(electronically or in certificated form) any certificate for Conversion Shares to be issued to the Buyer upon conversion of or otherwise pursuant to the Note as and when required by the Note and this Agreement; and (iii) it will not fail to remove (or directs its transfer agent not to remove or impairs, delays, and/or hinders its transfer agent from removing) any restrictive legend (or to withdraw any stop transfer instructions in respect thereof) on any certificate for any Conversion Shares issued to the Buyer upon conversion of or otherwise pursuant to the Note as and when required by the Note and/or this Agreement. If the Buyer provides the Company and the Company's transfer, at the cost of the Buyer, with an opinion of counsel in form, substance and scope customary for opinions in comparable transactions, to the effect that a public sale or transfer of such Securities may be made without registration under the 1933 Act, the Company shall permit the transfer, and, in the case of the Conversion Shares, promptly instruct its transfer agent to issue one or more certificates, free from restrictive legend, in such name and in such denominations as specified by the Buyer. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Buyer, by vitiating the intent and purpose of the transactions contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 5 may be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section, that the Buyer shall be entitled, in addition to all other available remedies, to an injunction restraining any breach and requiring immediate transfer, without the necessity of showing economic loss and without any bond or other security being required.

6. Conditions to the Company's Obligation to Sell. The obligation of the Company hereunder to issue and sell the Securities to the Buyer at the Closing is subject to the satisfaction, at or before the Closing Date of each of the following conditions thereto, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion:

a. The Buyer shall have executed this Agreement and delivered the same to the Company.

b. The Buyer shall have delivered the Purchase Price in accordance with Section 1(b) above.

c. The representations and warranties of the Buyer shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date), and the Buyer shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Buyer at or prior to the Closing Date.

d. No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

7. Conditions to The Buyer's Obligation to Purchase. The obligation of the Buyer hereunder to purchase the Securities at the Closing is subject to the satisfaction, at or before the Closing Date of each of the following conditions, provided that these conditions are for the Buyer's sole benefit and may be waived by the Buyer at any time in its sole discretion:

a. The Company shall have executed this Agreement and delivered the same to the Buyer.

b. The Company shall have delivered to the Buyer the duly executed Note, in accordance with Section 1(b) above.

c. The Irrevocable Transfer Agent Instructions, in form and substance satisfactory to the Buyer, shall have been delivered to and acknowledged in writing by the Company's Transfer Agent.

d. The representations and warranties of the Company shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at such time (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the Closing Date. The Buyer shall have received a certificate or certificates, executed by the chief executive officer of the Company, dated as of the Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by the Buyer including, but not limited to certificates with respect to the Board of Directors' resolutions relating to the transactions contemplated hereby.

e. No litigation, statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by or in any court or governmental authority of competent jurisdiction or any self-regulatory organization having authority over the matters contemplated hereby which prohibits the consummation of any of the transactions contemplated by this Agreement.

f. No event shall have occurred which could reasonably be expected to have a Material Adverse Effect on the Company including but not limited to a change in the 1934 Act reporting status of the Company or the failure of the Company to be timely in its 1934 Act reporting obligations.

8. Governing Law; Miscellaneous.

a. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to principles of conflicts of laws. Any action brought by either party against the other concerning the transactions contemplated by this Agreement shall be brought only in the Circuit Court of Fairfax County, Virginia or in the Alexandria Division of the United States District Court for the Eastern District of Virginia. The parties to this Agreement hereby irrevocably waive any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any objection or defense based on lack of jurisdiction or venue or based upon forum non conveniens. The Company and Buyer waive trial by jury. The Buyer shall be entitled to recover from the Company its reasonable attorney's fees and costs incurred in connection with or related to any Event of Default by the Company, as defined in Article III of the Note. Each party hereby irrevocably waives personal service of process and consents to process being served in any suit, action or proceeding in connection with this Agreement, the Note or any related document or agreement by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

b. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party.

c. Headings. The headings of this Agreement are for convenience of reference only and shall not form part of, or affect the interpretation of, this Agreement.

d. Severability. In the event that any provision of this Agreement is invalid or unenforceable under any applicable statute or rule of law, then such provision shall be deemed inoperative to the extent that it may conflict therewith and shall be deemed modified to conform with such statute or rule of law. Any provision hereof which may prove invalid or unenforceable under any law shall not affect the validity or enforceability of any other provision hereof.

e. Entire Agreement; Amendments. This Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor the Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the majority in interest of the Buyer.

f. Notices. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable air courier service with charges prepaid, or (iv) transmitted by hand delivery, telegram, or facsimile, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery or delivery by facsimile, with accurate confirmation generated by the transmitting facsimile machine, at the address or number designated below (if delivered on a business day during normal business hours where such notice is to be received), or the first business day following such delivery (if delivered other than on a business day during normal business hours where such notice is to be received) or (b) on the second business day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be as set forth in the heading of this Agreement. Each party shall provide notice to the other party of any change in address.

g. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Neither the Company nor the Buyer shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other. Notwithstanding the foregoing, the Buyer may assign its rights hereunder to any person that purchases Securities in a private transaction from the Buyer or to any of its "affiliates," as that term is defined under the 1934 Act, without the consent of the Company.

h. Survival. The representations and warranties of the Company and the agreements and covenants set forth in this Agreement shall survive the closing hereunder notwithstanding any due diligence investigation conducted by or on behalf of the Buyer. The Company agrees to indemnify and hold harmless the Buyer and all their officers, directors, employees and agents for loss or damage arising as a result of or related to any breach or alleged breach by the Company of any of its representations, warranties and covenants set forth in this Agreement or any of its covenants and obligations under this Agreement, including advancement of expenses as they are incurred.

i. Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

j. No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

k. Remedies. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Buyer by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Agreement will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Agreement, that the Buyer shall be entitled, in addition to all other available remedies at law or in equity, and in addition to the penalties assessable herein, to an injunction or injunctions restraining, preventing or curing any breach of this Agreement and to enforce specifically the terms and provisions hereof, without the necessity of showing economic loss and without any bond or other security being required.

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IN WITNESS WHEREOF, the undersigned Buyer and the Company have caused this Agreement to be duly executed as of the date first above written.

Polar Power, Inc.

By: /s/ Chris Mayer
Chris Mayer
Co-Chief Executive Officer

Vanquish Funding Group Inc.

By: /s/ Curt Kramer
Curt Kramer
President

Aggregate Principal Amount of Note:	$	353,050.00
Original Issue Discount	$	46,050.00
Aggregate Purchase Price:	$	307,000.00

Exhibit 10.14

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is entered into and effective as of October 13, 2026 (the "Execution Date"), by and between Polar Power, Inc., a Delaware corporation (the "Company") and LU2 Holdings LLC, a New Jersey limited liability company (including its designees, successors and assigns, the "Purchaser").

RECITALS

A. The parties desire that, upon the terms and subject to the conditions contained herein, the Company shall issue to Purchaser, and Purchaser shall purchase from the Company, from time to time as provided herein, up to $417,000 in stated value of Series A Convertible Preferred Stock (the "Preferred Shares") at a purchase price of 90% of such stated value, with each such Preferred Share having a stated value of $1,000 per share (the "Stated Value") and certain common stock purchase warrants (the "Warrants") entitling the Purchaser to purchase shares of Common Stock (as defined herein); and

B. The offer and sale of the Preferred Shares and Warrants provided for herein is being made without registration under the Securities Act, in reliance upon the provisions of Section 4(a)(2) of the Securities Act and such other exemptions from the registration requirements of the Securities Act as may be available with respect to any or all of the purchases of Preferred Shares and Warrants to be made hereunder.

AGREEMENT

In consideration of the premises, the mutual provisions of this Agreement, and other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, Company and Purchaser agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings indicated in this ARTICLE I:

"Action" shall have the meaning ascribed to such term in Section 3.1(r).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a Person, as such terms are used in and construed under Rule 144 under the Securities Act. With respect to Purchaser, without limitation, any Person owning, owned by, or under common ownership with Purchaser, and any investment fund or managed account that is managed on a discretionary basis by the same investment manager as Purchaser will be deemed to be an Affiliate.

"Agreement" means this Securities Purchase Agreement including the exhibits and schedules hereto.

"Beneficial Ownership Limitation" means 9.99% of the outstanding Common Stock, as determined in accordance with Section 13(d) of the Exchange Act, which limitation shall apply to all conversions of Preferred Shares and exercises of Warrants, as may be adjusted herein.

"Board of Directors" means the board of directors of the Company.

"Certificate of Incorporation" means the Certificate of Incorporation of the Company, as amended from time to time.

"Closing" means the Closing of the purchase and sale of the Preferred Shares as described in Section 2.3(a) hereof.

"Closing Date" means the date on which the Closing occurs.

"COD" means the Certificate of Designations of Rights and Preferences of the Preferred Shares in the form attached hereto as Exhibit A.

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

"Common Stock" means the Common Stock, par value $0.0001 per share, of the Company, and any other shares of stock issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Common Stock).

"Common Stock Equivalents" means any securities of the Company or any of its Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Contingent Obligation" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

"Contracts" means any and all contracts, agreements, commitment, franchises, understandings, arrangements, leases, licenses, registrations, authorizations, easements, servitudes, rights of way, mortgages, bonds, notes, guaranties, Encumbrances, evidence of indebtedness, approvals or other instruments or undertakings to which such person is a party or to which or by which such person or the property of such person is subject or bound, whether written or oral and whether or not entered into in the ordinary and usual course of the Person's business, excluding any Permits, provided that each such Contract shall provide for the payment of no less than $50,000.

"Conversion Shares" means the shares of Common Stock into which the Preferred Shares are convertible in accordance with the COD.

"Disclosure Schedules" means the disclosure schedules of the Company delivered concurrently herewith, attached hereto, and incorporated herein by reference. The Disclosure Schedules shall contain no material non- public information.

"Disqualification Event" shall have the meaning ascribed to such term in Section 3.1(y).

"DTC" means The Depository Trust Company, or any successor performing substantially the same function for Company.

"Encumbrances" means any security or other property interest or right, claim, lien, mortgage, pledge, option, charge, security interest, contingent or conditional sale, or other title claim or retention agreement, interest or other right or claim of third parties, whether perfected or not perfected, voluntarily incurred or arising by operation of law, and including any agreement (other than this Agreement) to grant or submit to any of the foregoing in the future.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Cap" shall mean that number of shares of Common Stock or Common Stock Equivalents pursuant to this Agreement and the other Transaction Documents to the extent that after giving effect thereto, the aggregate number of shares of Common Stock that would be issued as well as permitted to vote or be converted pursuant to this Agreement and such Transaction Documents would not exceed 19.99% of the Company's outstanding shares of Common Stock as of the date hereof.

"Exempt Issuance" means the issuance of (a) Common Stock or options or other equity awards to employees, officers, consultants, or directors of the Company, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, in any case including the independent directors of the Company, (b) securities in full or partial consideration in connection with a bona fide strategic merger, acquisition, consolidation or purchase of all or substantially all of the securities or assets of a corporation or other entity, so long as such issuance is not for the primary purpose of raising capital by the Company; (c) securities in connection with a bona fide strategic license agreement, sponsored research agreement, collaboration agreement, development agreement, marketing or distribution agreement, or other bona fide partnering arrangement, so long as such issuance is not for the primary purpose of raising capital by the Company, (d) securities issued upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with share splits or combinations) or to extend the term of such securities, and (e) 1 shares of Common Stock or Common Stock Equivalents issuable as set forth on Schedule I hereto.

"Existing Debt" means indebtedness existing under the following facilities: (a) the Loan and Security Agreement between the Company and Pinnacle Bank, dated September 30, 2020, as amended; (b) the Loan Agreement between the Company and WWCM, dated December 23, 2025; (c) certain notes payable between the Company and its Chief Executive Officer, as disclosed in the Company's quarterly report on 10-Q for the period ended March 31, 2026; (d) an additional note payable created between the Company and its Chief Executive Officer after the Company's quarterly report on Form 10-Q for the period ended March 31, 2026; (e) the Convertible Redeemable Notes issued by the Company to CFI Capital LLC and Monroe Street Capital Partners, LP on May 21, 2026, and (f) the Convertible Promissory Note issued by the Company to Mayers Ventures LLC on June 30, 2026.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"FINRA" means the Financial Industry Regulatory Authority, Inc.

"Floor Price" has the meaning set forth in the COD.

"Fundamental Transaction" has the meaning set forth in the Warrants.

"GAAP" means United States generally accepted accounting principles applied on a consistent basis during the periods involved.

"Governmental Authority" means any nation or country (including but not limited to the United States) and any commonwealth, territory or possession thereof and any government or governmental or regulatory, legislative, executive authority thereof, or commission, department or political subdivision thereof, whether federal, state, regional, municipal, local or foreign, or any department, board, bureau, agency, instrumentality or authority thereof, or any court or arbitrator (public or private), including, but not limited to, the SEC and FINRA.

"Indebtedness" shall have the meaning ascribed to such term in Section 3.1(v).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.1(dd)(i).

"Issuable Shares" means the- Conversion Shares and the Warrant Shares.

"Issuer Covered Person" shall have the meaning ascribed to such term in Section 3.1(y).

"Knowledge" means, with respect to any Person, (x) such Person is actually aware of such fact or matter or (y) such Person should reasonably have been expected to discover or otherwise become aware of such fact or matter after reasonable investigation, and for purposes hereof it shall be assumed that such Person has conducted a reasonable investigation of the accuracy of the representations and warranties set forth herein.

"Legal Requirement" means any federal, state, local, municipal, foreign, multi-national or other law, common law, statute, constitutions, ordinances, rules, regulations, codes, Orders, or legally enforceable requirements enacted, issued, adopted, promulgated, enforced, ordered, or applied by any Governmental Authority.

"Legend Removal Date" shall have the meaning ascribed to such term in Section 4.1(c).

"Liability" means any liability, obligation or indebtedness of whatever kind or nature (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"Liens" means any security or other property interest or right, claim, lien, pledge, option, charge, security interest, contingent or conditional sale, or other title claim or retention agreement, interest or other right or claim of third parties, whether perfected or not perfected, voluntarily incurred or arising by operation of law, and including any agreement (other than this Agreement) to grant or submit to any of the foregoing in the future.

"Loss" or "Losses" means any and all Liability, damages, fines, fees, penalties and expenses whether or not arising out of litigation, including without limitation, interest, reasonable expenses of investigation, court costs, reasonable out-of-pocket fees and expenses of attorneys, accountants and other experts or other reasonable out-of-pocket expenses of litigation or other legal proceedings, incurred in connection with the rightful enforcement of rights under this Agreement against any party hereto, and whether or not arising out of third party claims against an indemnified party.

"Material Adverse Effect" means any material adverse effect on (i) the legality, validity or enforceability of any Transaction Document, (ii) the results of operations, assets, business, prospects or financial condition of the Company and the Subsidiaries, taken as a whole, or (iii) the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document.

"Material Agreement" means any material loan agreement, financing agreement, equity investment agreement or securities instrument to which Company is a party, any agreement or instrument to which Company and Purchaser or any Affiliate of the Purchaser is a party, and any other material agreement listed, or required to be listed, on any of Company's reports filed or required to be filed with the SEC, including without limitation Forms 10-K, 10-Q and 8-K.

"Maximum Investment" means $375,000.00

"Money Laundering Laws" shall have the meaning ascribed to such term in Section 3.1(gg).

"OFAC" shall have the meaning ascribed to such term in Section 3.1(ff).

"Order" means any order, writ, assessment, decision, injunction, decree, ruling, or judgment of a Governmental Entity or arbitrator, whether temporary, preliminary, or permanent.

"Officer's Certificate" has the meaning set forth in the Section 2.3(b)(i) hereof.

"Permits" means any and all permits, rights, approvals, licenses, authorizations, legal status, orders or Contracts under any Legal Requirement or otherwise granted by any Governmental Authority.

"Permitted Liens" means the individual and collective reference to the following: (a) Liens for Taxes, assessments and other governmental charges or levies not yet due or Liens for Taxes, assessments and other governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves (in the good faith judgment of the management of the Company) have been established in accordance with GAAP; (b) Liens imposed by law which were incurred in the ordinary course of the Company's business, such as carriers', warehousemen's and mechanics' Liens, statutory landlords' Liens, and other similar Liens arising in the ordinary course of the Company's business, and which (x) do not individually or in the aggregate materially detract from the value of such property or assets or materially impair the use thereof in the operation of the business of the Company and its consolidated Subsidiaries or (y) are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing for the foreseeable future the forfeiture or sale of the property or asset subject to such Lien; (c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations; and (d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature that are not past due, in each case in the ordinary course of business, but excluding any contract for the payment of money.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Preferred Shares" has the meaning set forth in the recitals hereto.

"Principal Market" means the NASDAQ Capital Market.

"Principal Market Rules" means the rules and regulations of the Principal Market.

"Properties" means any and all properties and assets (real, personal or mixed, tangible or intangible) owned or used by the Company.

"Purchase Price" means $375,000, representing 90% of the $417,000 aggregate Stated Value.

"Registrable Securities" has the meaning set forth in the Registration Rights Agreement.

"Registration Rights Agreement" means that certain Registration Rights Agreement, between the Company and the Purchaser, dated as of the date hereof, in the form attached hereto as Exhibit B.

"Registration Statement" has the meaning set forth in the Registration Rights Agreement.

"Required Approvals" means the Stockholder Approval and any other approvals that may be required hereunder.

"Required Minimum" means, as of any date, 200% of the maximum aggregate of a sufficient number of shares of Common Stock then issued or potentially issuable in the future pursuant to any outstanding Preferred Shares (assuming for such purpose that the Preferred Shares are convertible at the Floor Price then in effect) or Warrants, ignoring any conversion or exercise limits set forth therein.

"Restricted Period" means the period commencing on the Execution Date and ending on the earlier of (a) the date that no Preferred Shares or Warrants are held by the Purchaser and (b) two years after the Execution Date.

"Rule 144" means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect.

"SEC" means the United States Securities and Exchange Commission.

"SEC Documents" has the meaning set forth in Section 3.1(g).

"Secretary's Certificate" has the meaning set forth in Section 2.3(b)(ii) hereof.

"Securities" means the Issuable Shares and the Warrants.

"Securities Act" means the Securities Act of 1933, as amended.

"Series A Preferred Stock" means shares of Series A Convertible Preferred Stock, $0.0001 par value per share, issuable pursuant to the COD.

"Short Sales" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

"Stated Value" has the meaning set forth in the recitals hereto.

"Stockholder Approval" means such approval as may be required by the applicable rules and regulations of the Principal Market Rules (or the applicable rules and regulations of any successor entity) from the stockholders of the Company with respect to the transactions contemplated by this Agreement and the other Transaction Documents, including the issuance of all of the Issuable Shares in excess of 19.99% of the issued and outstanding Common Stock as of the date hereof.

"Subscription Amount" means, as to the Purchaser, the aggregate amount to be paid for the Preferred Shares and the Warrants purchased hereunder as specified below the Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds.

"Subsidiary" means any Person the Company owns or controls, or in which the Company, directly or indirectly, owns a majority of the capital stock or similar interest that would be disclosable pursuant to Regulation S- K, Item 601(b)(21).

"Tax" means any and all taxes, charges, fees, levies or other assessments, including, without limitation, local and/or foreign income, net worth, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, share capital, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, service, service use, transfer, registration, recording, ad-valorem, value-added, alternative or add-on minimum, estimated, or other taxes, assessments or charges of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Return" means any federal, state, local and foreign tax return, report or similar statement required to be filed with respect to any Tax (including any attached schedules), including, without limitation, any information return, claim for refund, amended return or declaration of estimated Tax.

"Taxing Authority" means the Internal Revenue Service and any other Governmental Authority responsible for the administration of any Tax.

"Termination Date" shall mean the date that is two years after the Execution Date.

"Trading Day" means any day on which the Common Stock is traded on the Trading Market; provided that it shall not include any day on which the Common Stock is (a) scheduled to trade for less than 5 hours, or (b) suspended from trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the NASDAQ Capital Market, the NASDAQ Global Market, the NASDAQ Global Select Market, the New York Stock Exchange, OTCQB, OTCQX, or the OTC Pink (or any successors to any of the foregoing). Notwithstanding the foregoing, term "Trading Market" shall only include the OTC Pink for any interim period of time required upon the Company's delisting from any other Trading Market provided that the Company shall be required to list its Common Stock for trading or quotation on another Trading Market (excluding the OTC Pink) promptly upon such delisting and the failure to do so shall constitute a default under the terms of this Agreement and the other Transaction Documents.

"Transaction Documents" means this Agreement, the COD, the Warrants, the Registration Rights Agreement, the Transfer Agent Instruction Letter and the other agreements and documents referenced herein, and the exhibits and schedules hereto and thereto.

"Transfer Agent" means VStock Transfer, LLC, with a mailing address of 18 Lafayette Place, Woodmere, NY 11598, the current transfer agent of the Company and any successor transfer agent of the Company.

"Transfer Agent Instruction Letter" means the letter from the Company to the Transfer Agent which instructs the Transfer Agent to reserve the Issuable Shares pursuant to the Transaction Documents in the form attached hereto as Exhibit D in the Required Minimum.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:00 p.m. (New York City time)), (b) if the Common Stock is not then listed or quoted for trading on a Trading Market and if prices for the Common Stock are then reported on the OTC Pink Marketplace maintained by OTC Markets Group Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent closing price per share of the Common Stock so reported, or (c) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchaser of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Warrant" and "Warrants" mean that certain Warrant between the Company and the Purchaser, dated as of the date hereof, in the form attached hereto as Exhibit C.

"Warrant Shares" means the shares of Common Stock into which the Warrants are exercisable in accordance with the terms of each respective Warrant.

ARTICLE II
PURCHASE AND SALE

2.1 Agreement to Purchase. Subject to the terms and conditions herein and the satisfaction of the conditions to closing set forth in this ARTICLE II, The Company has authorized and designated 25,000 shares of Series A Convertible Preferred Stock pursuant to the Certificate of Designation, of which 417 shares are being issued and sold to the Purchaser pursuant to this Agreement (with the specific number of shares set forth on the signature pages hereto), with the balance remaining authorized but unissued. The Company hereby agrees to issue to the Purchaser and the Purchaser hereby agrees to purchase from the Company, an aggregate of 417 Preferred Shares in accordance with Section 2.3 below and, in consideration for the Preferred Shares, the Purchaser agrees to furnish to the Company at the Closing the Purchase Price, provided that, in the aggregate, the Purchaser shall not pay more than the Maximum Investment.

2.2 Warrants to be Issued to Purchaser: At the Closing, for no additional consideration, Purchaser shall be issued a Warrant to purchase shares of Common Stock in amount equal to the applicable Warrant Share Amount. Each Warrant shall initially have an exercise price per share equal to the closing price of the Common Stock on the Trading Day immediately prior to Closing, subject to adjustment as provided therein (the "Exercise Price").

2.3 Closing; Conditions to Closing; Mechanics of Closing.

(a) Closing. The purchase of the Preferred Shares hereunder shall occur in a single closing, which shall take place on such date as is agreed between the Company and the Purchaser and which is no later than the tenth Trading Day following the date on which the Registration Statement is declared effective by the SEC, provided that the conditions set forth in Section 2.3(b), Section 2.3(c), and Section 2.3(g) have been satisfied or waived. The date on which the Closing occurs is referred to herein as the "Closing Date."

(b) Purchaser Conditions to Closing. The obligations of the Purchaser hereunder in connection with the Closing, and are subject to the following conditions being satisfied or waived:

(i) each and every representation and warranty of the Company shall be true and correct as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date) and the Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Closing Date, including, without limitation the issuance of all Securities prior to the date of such Closing as required by this Section 2.3 and the Transaction Documents and the Company has a sufficient number of duly authorized shares of Preferred Stock and Conversion Shares reserved for issuance as may be required to fulfill its obligations pursuant to the Transaction Documents and Purchaser shall have received a certificate, executed by the Chief Executive Officer of the Company, dated as of the Closing Date, to the foregoing effect (the "Officer's Certificate");

(ii) the Company shall have delivered to Purchaser a certificate, in the form previously provided to the Company by the Purchaser, executed by the Secretary of the Company and dated as of the Closing Date, as to (A) the resolutions as adopted by the Board of Directors authorizing the entering into the Transaction Documents and the transactions envisioned thereby, which resolutions shall have remained in full force and effect, (B) the Certificate of Incorporation of the Company (reflecting the filed Certificate) and (C) the Bylaws of the Company as in effect at the Closing (the "Secretary's Certificate");

(iii) the Company shall have delivered to Purchaser a certificate evidencing the formation and good standing of the Company in its jurisdiction of formation issued by the Secretary of State of such jurisdiction of formation as of a date within ten days of the Closing Date;

(iv) as of the Closing Date, as applicable, trading in the Common Stock shall be listed or quoted for trading on the Principal Market and shall not have been suspended by the SEC or the Principal Market, and trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity that has resulted in, and is continuing as of the Closing Date, (A) a suspension or material limitation of trading on the Principal Market or securities market generally, or (B) a Material Adverse Effect on the Company;

(v) neither the Company nor any Significant Subsidiary, as such term is defined in Rule 1-02(w) of Regulation S-X for purposes of this definition, shall have suffered a Material Adverse Effect;

(vi) no action, proceeding, investigation or inquiry by the SEC, Nasdaq or any other Governmental Authority shall be pending or, to the Company's Knowledge, threatened in writing against the Company or any Significant Subsidiary, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect or prohibit, materially delay or materially impair the issuance or purchase of the Preferred Shares and Warrants at such Closing;

(vii) as of the Closing Date, the Company shall be in good standing with The Nasdaq Stock Market (or any other Principal Market on which the Common Stock is then listed), other than with respect to the stockholders' equity deficiency under Nasdaq Listing Rule 5550(b)(1) existing as of the Execution Date; and

(viii) each other condition to the Purchaser's obligation to consummate the Closing that is expressly set forth in this Agreement or the other Transaction Documents and required by its terms to be satisfied at or prior to the Closing shall have been satisfied or waived in writing by the Purchaser.

(c) Company Conditions to Closing. The obligations of the Company hereunder in connection with each Closing are subject to the following conditions being satisfied or waived:

(i) the accuracy in all material respects as of the Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Purchaser required by this Agreement to be performed at or prior to the Closing Date shall have been performed; and

(iii) the delivery by the Purchaser of the Purchaser Closing Documents.

(d) Documents to be Delivered at the Closing by the Company. The Closing shall be conditioned upon the delivery by the Company to Purchaser of each of the following (the "Company Initial Closing Documents") on or before the Closing Date:

(i) this Agreement duly executed by the Company;

(ii) certificates evidencing the number of Preferred Shares purchased in the Closing shall have been delivered to Purchaser;

(iii) a Warrant, duly executed by the Company, consistent with the requirements of Section 2.2;

(iv) the Registration Rights Agreement, duly executed by the Company;

(v) the Voting Agreement;

(vi) the Lock-Up Agreement;

(vii) the Officer's Certificate, executed by an officer of the Company;

(viii) the Secretary's Certificate, executed by the Corporate Secretary of the Company;

(ix) a Certificate of Good Standing of the Company from the Secretary of State of the State of Delaware;

(x) the Transfer Agent Instruction Letter shall have been delivered to the Transfer Agent;

(xi) an opinion of counsel to the Company in a form acceptable to the Purchaser in its sole discretion;

(xii) the written confirmation by the Company to the Purchaser that the applicable Required Approvals, if any have been obtained; and

(xiii) all documents, instruments and other writings required to be delivered by the Company to Purchaser on or before the Closing Date pursuant to any provision of this Agreement or in order to implement and effect the transactions contemplated herein.

(e) Documents to be Delivered at the Closing Date by the Purchaser. The Closing Date shall be conditioned upon the delivery, unless otherwise provided below, by Purchaser to the Company of each of the following (the "Purchaser Closing Documents") on or before the Closing Date:

(i) this Agreement, duly executed by the Purchaser;

(ii) the Registration Rights Agreement, duly executed by the Purchaser; and

(iii) such Investor's Selling Stockholder Questionnaire set forth hereto.

(f) Mechanics of Closing. Subject to such conditions set forth in this Agreement, the Closing shall occur by 5:00 p.m. Eastern time, on the date provided for in Section 2.3(a) at the offices of the Company. On or before the Closing Date, the Purchaser shall deliver to the Company the applicable Subscription Amount, with any cash portion to be delivered in cash or immediately available funds as consideration for the purchase of the Preferred Shares pursuant to wire instructions delivered to the Purchaser by the Company, and the applicable Purchaser Closing Documents. The Company shall deliver to the Purchaser all Company Closing Documents on or before the Closing Date.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth under the corresponding section of the Disclosure Schedules, which shall be deemed a part hereof and which shall not contain any material non-public information, the Company hereby represents and warrants to, and as applicable covenants with, the Purchaser as of the date hereof:

(a) Organization and Qualification. The Company and each of the direct and indirect subsidiaries of the Company listed on Schedule 3.1(a) (the "Subsidiaries") is an entity duly organized, validly existing and in good standing under the laws of its state of incorporation or formation. The Company and each of its Subsidiaries is duly qualified to do business, and is in good standing in the states required due to (i) the ownership or lease of real or personal property for use in the operation of the Company's business or (ii) the nature of the business conducted by the Company, except where the failure to so qualify would not, individually or in the aggregate, have a Material Adverse Effect. The Company and each of its Subsidiaries has all requisite power, right and authority to own, operate and lease its properties and assets, to carry on its business as now conducted, to execute, deliver and perform its obligations under this Agreement and the other Transaction Documents to which it is a party, and to carry out the transactions contemplated hereby and thereby, subject to the Required Approvals. All actions on the part of the Company and its officers and directors necessary for the authorization, execution, delivery and performance of this Agreement and the other Transaction Documents, the consummation of the transactions contemplated hereby and thereby, and the performance of all of the Company's obligations under this Agreement and the other Transaction Documents have been taken or will be taken prior to the Closing. This Agreement has been, and the other Transaction Documents to which the Company is a party on the Closing will be, duly executed and delivered by the Company, and this Agreement is, and each of the other Transaction Documents to which it is a party on the Closing will be, a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, reorganization, insolvency, moratorium and similar laws of general application relating to or affecting the enforcement of rights of creditors, and except as enforceability of the obligations hereunder are subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or law). All of the Subsidiaries and the Company's ownership interests therein are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens except Permitted Liens, and subject to the Required Approvals, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

(b) Authority. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and each of the other Transaction Documents and to issue the Securities in accordance with the terms hereof and thereof. The execution and delivery of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby, including, without limitation, the issuance of the Securities, have been duly authorized by the Board of Directors and no further filing (other than a Form D with the SEC and any other filings as may be required by any state securities agencies, a Form 8-K and the applicable Stockholder Approval and application regarding the listing of additional shares), consent, or authorization is required by the Company, the Board of Directors or the Company's stockholders. This Agreement and the other Transaction Documents have been duly executed and delivered by the Company, and constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities laws.

(c) Capitalization. The capitalization of the Company is as set forth on Schedule 3.1(c). Upon the filing of the COD with the Secretary of State of the Company's jurisdiction of incorporation, with respect to payment of dividends and distribution of assets upon liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, all Preferred Shares will rank: (i) senior to all of the Company's Common Stock and all other existing capital stock of the Company. As of the date hereof, the Company has reserved from its duly authorized capital stock 27,340,890 shares of Common Stock for issuance as Conversion Shares and for issuance of the Warrant Shares. All of such outstanding shares are duly authorized and have been, or upon issuance will be, validly issued and are fully paid and nonassessable. Except as disclosed in SEC Documents and/or in Schedule 3.1(c), hereof: (i) none of the Company's or any Subsidiary's share capital is subject to preemptive rights or any other similar rights or any liens or Encumbrances suffered or permitted by the Company or any subsidiary; (ii) other than as described in the SEC Documents, there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any share capital of the Company or any of its subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to issue additional share capital of the Company or any of its subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any share capital of the Company or any of its subsidiaries; (iii) except for the Existing Debt and all other debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments, there are no outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing indebtedness of the Company or any of its subsidiaries or by which the Company or any of its subsidiaries is or may become bound; (iv) other than with respect to the current indebtedness of the Company or any of its subsidiaries, there are no financing statements securing obligations in any amounts filed in connection with the Company or any of its subsidiaries; (v) there are no agreements or arrangements under which the Company or any of its subsidiaries is obligated to register the sale of any of their securities under the Securities Act, except as listed on Schedule 3.1(c); (vi) there are no outstanding securities or instruments of the Company or any of its subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to redeem a security of the Company or any of its subsidiaries; (vii) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities; (viii) neither the Company nor any Subsidiary has any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement; and (ix) neither the Company nor any of its Subsidiaries has any liabilities or obligations required to be disclosed in the SEC Documents which are not so disclosed in the SEC Documents, other than those incurred in the ordinary course of the Company's or its subsidiaries' respective businesses and which, individually or in the aggregate, do not or could not reasonably be expected to have a Material Adverse Effect.

(d) Consents. Neither the Company nor any of its Subsidiaries is required to obtain any consent from, authorization or order of, or make any filing (other than a Form 8-K, Stockholder Approval, the Registration Rights Agreement and the applicable notification regarding the listing of additional shares) or registration with, any court, governmental agency or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its respective obligations under or contemplated by the Transaction Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings (other than a Form 8-K and the applicable notification regarding the listing of additional shares) and registrations which the Company or any of its subsidiaries is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the Closing Date and neither the Company nor any of its Subsidiaries is aware of any facts or circumstances which might prevent the Company or any of its subsidiaries from obtaining or effecting any of the registration, application or filings contemplated by the Transaction Documents. As of the date of this Agreement, other than as disclosed in the SEC Documents, the Company is not in violation of the requirements of the Principal Market and has no knowledge of any facts or circumstances which could reasonably lead to delisting or suspension of the Common Stock in the foreseeable future.

(e) Conflicts; Non-Contravention; No Violations. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby will not (A) result in a violation of the Certificate of Incorporation (as defined above) or other organizational documents of the Company or any of its Subsidiaries, any share capital of the Company or any of its subsidiaries or Bylaws (as defined above) of the Company or any of its Subsidiaries, (B) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its subsidiaries is a party, or (C) result in a violation of any law, rule, regulation, order, judgment or decree, including foreign, federal and state securities laws and regulations and the rules and regulations of the Principal Market applicable to the Company or any of its subsidiaries or by which any property or asset of the Company or any of its subsidiaries is bound or affected except, in the case of clause (B) or (C) above, to the extent such violations that could not reasonably be expected to have a Material Adverse Effect.

(f) Taxes Related to the Securities. On each date the Company issues Securities to the Purchaser, all share transfer or other taxes (other than income or similar taxes) which are required to be paid in connection with the issuance of the Securities hereunder on such date will be, or will have been, fully paid or provided for by the Company, and all laws imposing such taxes will be or will have been complied with.

(g) SEC Documents; Financial Statements. The Company has, during the preceding 12 months, filed with the SEC all reports and other materials required to be filed by Section 13 or 15(d) of the Exchange Act, as applicable (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "SEC Documents"). As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments which will not be material, either individually or in the aggregate). There is no event, pending event or threatened event that could result in the Company not filing with the SEC all reports and other materials required to be filed by Section 13 or 15(d) of the Exchange Act, as applicable, in compliance in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to such filings.

(h) No Material Non-Public Information. The Company confirms that neither it nor any other Person acting on its behalf has provided the Purchaser or its agents or counsel with any information that constitutes or could reasonably be expected to constitute material, non-public information concerning the Company or any of its subsidiaries, other than the existence of the transactions contemplated by this Agreement and the Transaction Documents. The Company understands and confirms that the Purchaser will rely on the foregoing representations in effecting transactions in securities of the Company. To the knowledge of the Company after reasonable inquiry, all disclosures provided to the Purchaser regarding the Company and its subsidiaries, their businesses and the transactions contemplated hereby, including the schedules to this Agreement, furnished by or on behalf of the Company or any of its subsidiaries is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(i) Valid Issuance of Issuable Shares. The issuance of each of the Preferred Shares, Conversion Shares and Warrant Shares are duly authorized and, upon issuance in accordance with the terms of this Agreement, the COD and the Warrant, as applicable, will be validly issued, fully paid and non-assessable and free and clear of all liens, Encumbrances and rights of refusal of any kind, subject to Stockholder Approval. The issuance of the Warrant is duly authorized by the Company and, when executed and delivered by the Company, will be a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

(j) Certain Fees. Except for fees payable by the Company for legal expenses, no brokerage or finder's fees or commissions are or will be payable by the Company or any of its subsidiaries to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchaser shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(k) Acknowledgement of Dilution. The Company acknowledges and agrees that (i) the issuance of the Issuable Shares pursuant to this Agreement may have a dilutive effect, which may be substantial, (ii) neither the Company nor any of the Company's Affiliates has or will provide the Purchaser with any material non-public information regarding the Company or its securities, and (iii) the Purchaser has no obligation of confidentiality to the Company and may sell any of its Issuable Shares issued pursuant to this Agreement at any time but subject to compliance with applicable laws and regulations.

(l) Status of the Purchaser. The Company acknowledges and agrees that with respect to this Agreement and the transactions contemplated hereby, (i) the Purchaser is acting solely in an arm's length capacity, (ii) the Purchaser does not make and has not made any representations or warranties, other than those specifically set forth in this Agreement, (iii) except as set forth in this Agreement, the Company's obligations hereunder are unconditional and absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of any claim the Company may have against the Purchaser, (iv) the Purchaser has not and is not acting as a legal, financial, accounting or tax advisor to the Company, or agent or fiduciary of the Company, or in any similar capacity, and (v) any statement made by the Purchaser or any of the Purchaser's representatives, agents or attorneys is not advice or a recommendation to the Company.

(m) Listing and Maintenance Requirements; Principal Market Regulation.

(i) The Common Stock is registered pursuant to Section 12(b) of the Exchange Act, and the Company has taken no action designed to, or which to its Knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the SEC is contemplating terminating such registration. The Company's Common Stock is listed on the Principal Market, and no suspension of trading of the Company's Common Stock on the Principal Market is in effect. Except as disclosed in the SEC Documents, the Company has not, in the 12 months preceding the date hereof, received notice from any Principal Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Principal Market, and the Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements.

(ii) The Company shall not permit the Preferred Shares to have any conversion or voting rights, or issue any shares of Common Stock or Common Stock Equivalents pursuant to this Agreement or the other Transaction Documents, to the extent that, after giving effect thereto, the aggregate number of shares of Common Stock issued or issuable pursuant to this Agreement and the Transaction Documents would exceed the Exchange Cap, unless and until the Company has obtained Stockholder Approval in accordance with the applicable rules and regulations of the Principal Market. For the avoidance of doubt, the Preferred Shares shall be issued at the Closing in accordance with Section 2.3, and shall be convertible and shall have voting power upon issuance, except that such Preferred Shares shall not be convertible into, or carry voting power with respect to, shares of Common Stock (i) until receipt of Stockholder Approval, in excess of the Exchange Cap, and (ii) at any time, in excess of the Beneficial Ownership Limitation, in each case as and to the extent set forth in the COD.

(n) Shell Company Status. As of the last 12 months, the Company is not an issuer identified in, or subject to, Rule 144(i) under the Securities Act.

(o) DTC Eligibility. The Company, through its Transfer Agent, currently participates in the DTC Fast Automated Securities Transfer ("FAST") Program and utilizes DTC's Deposit/Withdrawal at Custodian ("DWAC") service, and the shares of Common Stock may be issued and transferred electronically to third parties via DTC's DWAC service. The Company has not, in the 12 months preceding the date of this Agreement, received any notice from DTC to the effect that a suspension of, or restriction on, accepting additional deposits of the shares of Common Stock, or electronic trading or settlement services with respect to the shares of Common Stock are being imposed or are contemplated by DTC.

(p) No Anti-Takeover Provisions. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested stockholder, business combination, or other similar antitakeover provision under the Certificate of Incorporation, Bylaws or other organizational documents of the Company, as currently in effect, or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of Securities hereunder and the Purchaser's ownership of such Securities, together with all other securities now or hereafter owned or acquired by the Purchaser. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Issuable Shares or a change in control of the Company or any of its Subsidiaries. Until the earlier of the time that the Purchaser no longer beneficially owns any Issuable Shares, the Board of Directors shall not adopt any anti-takeover provision, including without limitation any stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Common Stock, that would limit the ability of Purchaser to acquire or hold Issuable Shares in accordance with this Agreement, without the Purchaser's written consent.

(q) Blue Sky Matters. The Company shall take such action as the Purchaser shall reasonably determine is necessary in order to qualify the Securities issuable to the Purchaser hereunder under applicable securities or "blue sky" laws of the states of the United States for the issuance to the Purchaser hereunder and for resale by the Purchaser to the public (or to obtain an exemption from such qualification). Without limiting any other obligation of the Company hereunder, the Company shall timely make all filings and reports relating to the offer and issuance of such Securities required under all applicable securities laws (including, without limitation, all applicable federal securities laws and all applicable state securities or "blue sky" laws), and the Company shall comply with all applicable federal, state, local and foreign laws, statutes, rules, regulations and the like relating to the offering and issuance of such Securities to the Purchaser.

(r) Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the Knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties except as set forth in Schedule 3.1(r), or against or affecting the Company's current or former officers or directors in their capacity as such, before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect, and neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the Knowledge of the Company, there is not pending or contemplated, any investigation by the SEC involving the Company or any current or former director or officer of the Company that is likely to lead to action that can reasonably be expected to result in a Material Adverse Effect. There has not been, and to the Knowledge of the Company, there is not pending or contemplated, any investigation by the SEC involving the Company or any current or former director or officer of the Company. The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(s) No Defaults. Except as disclosed in SEC Documents and/or in Schedule 3.1(s) hereof, the Company is not in a default under, or has given to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its subsidiaries is a party.

(t) Employee Relations. Neither the Company nor any of its Subsidiaries is a party to any collective bargaining agreement or employs any member of a union. The Company believes that its and its Subsidiaries' relations with their respective employees are good. The Company and its Subsidiaries are in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except as disclosed in Schedule 3.1(t) or where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(u) Tax Matters.

(i) All Tax Returns required to be filed by or on behalf of the Company have been duly and timely filed with the appropriate Taxing Authority in all jurisdictions in which such Tax Returns are required to be filed (after giving effect to any valid extensions of time in which to make such filings), and all such Tax Returns are true, complete and correct in all material respects. All Taxes payable by or on behalf of the Company (whether or not shown on any Tax Return) have been fully and timely paid. With respect to any period for which Tax Returns have not yet been filed or for which Taxes are not yet due or owing, the Company has made due and sufficient accruals for such Taxes in the GAAP Financial Statements and in its books and records. All required estimated Tax payments sufficient to avoid any underpayment penalties or interest have been made by or on behalf of the Company. The Company has complied in all material respects with all applicable Legal Requirements relating to the payment and withholding of Taxes in connection with amounts paid or owing to any employee, independent contractor, creditor, equity owner or other third party and has duly and timely withheld and paid over to the appropriate Taxing Authority all amounts required to be so withheld and paid under all applicable Legal Requirements.

(ii) The Company has not (i) requested any extension of time within which to file any Tax Return, which Tax Return has since not been filed, (ii) granted any extension for the assessment or collection of Taxes, which Taxes have not since been paid, or (iii) granted to any Person any power of attorney that is currently in force with respect to any Tax matter. The Company is not a foreign person within the meaning of Sections 7701(a)(1) and 7701(a)(5) of the Code. The Company has never been a shareholder of any consolidated, combined, affiliated or unitary group of corporations for any Tax purposes. The Company is not a party to any Tax allocation or Tax sharing agreement nor has any liability for the Taxes of any Person under Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof of any analogous or similar provision under Legal Requirement), as a transferee or successor, by contract, or otherwise.

(iii) The Company has not made any payments, is not obligated to make any payments, or is not a party to any agreement that obligates it to make any payments that are not deductible under Section 280G of the Code. The Company has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(a)(ii) of the Code.

(v) Indebtedness and Other Contracts. Except as set forth on Schedule 3.1(v), neither the Company nor any of its Subsidiaries (i) has any outstanding Indebtedness (as defined below), (ii) is a party to any contract, agreement or instrument, the violation of which, or default under which, by the other party(ies) to such contract, agreement or instrument could reasonably be expected to result in a Material Adverse Effect, (iii) is in violation of any term of, or in default under, any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Material Adverse Effect, or (iv) is a party to any contract, agreement or instrument relating to any Indebtedness, the performance of which, in the judgment of the Company's officers, has or is expected to have a Material Adverse Effect. For purposes of this Agreement: (x) "Indebtedness" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (including, without limitation, "capital leases" in accordance with generally accepted accounting principles) (other than trade payables entered into in the ordinary course of business), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (F) all monetary obligations under any leasing or similar arrangement which, in connection with generally accepted accounting principles, consistently applied for the periods covered thereby, is classified as a capital lease, (G) all indebtedness referred to in clauses (A) through (F) above secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, claim, lien, tax, right of first refusal, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (H) all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above.

(w) Absence of Certain Changes. Other than as disclosed in the SEC Documents, since the date of the Company's most recent audited financial statements contained in a Form 10-K, there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations (including results thereof), condition (financial or otherwise) or prospects of the Company or any of its Subsidiaries. Except as disclosed in the SEC Documents, since the date of the Company's most recent audited financial statements contained in a Form 10-K, neither the Company nor any of its Subsidiaries has (i) declared or paid any dividends, (ii) sold any assets, individually or in the aggregate, outside of the ordinary course of business or (iii) made any capital expenditures, individually or in the aggregate, outside of the ordinary course of business. Neither the Company nor any of its Subsidiaries has taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up, nor does the Company or any Subsidiary have any knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead a creditor to do so. The Company and its Subsidiaries, on a consolidated basis, are not as of the date hereof, and after giving effect to the transactions contemplated hereby to occur at the Closing, will not be Insolvent (as defined below). For purposes of this Section 3.1(w), "Insolvent" means, with respect to the Company and its Subsidiaries, on a consolidated basis, (A) the present fair saleable value of the Company's and its Subsidiaries' assets is less than the amount required to pay the Company's and its Subsidiaries' total indebtedness, (B) the Company and its Subsidiaries are unable to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (C) the Company and its Subsidiaries intend to incur or believe that they will incur debts that would be beyond their ability to pay as such debts mature. Neither the Company nor any of its Subsidiaries has engaged in any business or in any transaction, and is not about to engage in any business or in any transaction, for which the Company's or such Subsidiary's remaining assets constitute unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted.

(x) No Undisclosed Events, Liabilities, Developments or Circumstances. Since the date of the latest audited financial statements included within the SEC Reports, except as set forth in the SEC Documents: (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any material liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in the SEC Documents, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) except as set forth on Schedule 3.1(x), the Company has not issued any equity securities to any officer, director or Affiliate. The Company does not have pending before the SEC any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(x), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, properties, operations, assets or financial condition, that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least two Trading Days prior to the date that this representation is made.

(y) No Disqualification Events. None of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the Transaction contemplated hereby, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (each, an "Issuer Covered Person") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event.

(z) General Solicitation. None of the Company, any of its Affiliates or any person acting on behalf of the Company or such Affiliate will solicit any offer to buy or offer or sell the Securities by means of any form of general solicitation or general advertising within the meaning of Regulation D, including: (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio; and (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(aa) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to ERISA, taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(bb) Regulatory Permits. The Company and the Subsidiaries possess all approvals, certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Documents, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(cc) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property (if any) owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except as set forth on Schedule 3.1(cc) and except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made in accordance with GAAP and the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries is held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance, or where the failure of a lease to be enforceable would not result in a Material Adverse Effect.

(dd) Intellectual Property.

(i) The term “Intellectual Property Rights” includes:

(A) the name of the Company and each Subsidiary, all fictional business names, trading names, registered and unregistered trademarks, service marks, and applications of the Company and each Subsidiary (collectively, “Marks”);

(B) all patents, patent applications, and inventions and discoveries that may be patentable of the Company and each Subsidiary (collectively, “Patents”);

(C) all copyrights in both unpublished works and published works of the Company and each Subsidiary (collectively, “Copyrights”);

(D) all rights in mask works of the Company and each Subsidiary (collectively, “Rights in Mask Works”); and

(E) all know-how, trade secrets, confidential information, customer lists, software, technical information, data, process technology, plans, drawings, and blue prints (collectively, “Trade Secrets”); owned, used, or licensed by the Company and each Subsidiary as licensee or licensor.

(ii) Agreements. Except as set forth on Schedule 3.1(dd), there are no outstanding and, to the Company’s Knowledge, no threatened disputes or disagreements with respect to any agreements relating to any Intellectual Property Rights to which the Company is a party or by which the Company is bound.

(iii) Know-How Necessary for the Business. The Intellectual Property Rights are all those necessary for the operation of the Company’s businesses as it is currently conducted. The Company is the owner of all right, title, and interest in and to each of the Intellectual Property Rights, except as set forth on Schedule 3.1(dd), free and clear of all liens, security interests, charges, encumbrances, equities, and other adverse claims, and has the right to use all of the Intellectual Property Rights. To the Company’s Knowledge, no employee of the Company has entered into any contract that restricts or limits in any way the scope or type of work in which the employee may be engaged or requires the employee to transfer, assign, or disclose information concerning his work to anyone other than of the Company.

(iv) Patents. The Company is the owner of, or has acquired the right and maintains the right to use, all right, title and interest in and to each of the Patents, free and clear of all Liens and other adverse claims. All of the issued Patents are currently in compliance with formal legal requirements (including payment of filing, examination, and maintenance fees and proofs of working or use), are valid and enforceable, and are not subject to any maintenance fees or taxes or actions falling due within 90 days after the Closing Date. No Patent has been or is now involved in any interference, reissue, reexamination, or opposition proceeding. To the Company’s Knowledge except as set forth in Schedule 3.1(dd): (1) there is no potentially interfering patent or patent application of any third party, and (2) no Patent is infringed or has been challenged or threatened in any way. To the Company’s Knowledge, none of the products manufactured and sold, nor any process or know-how used, by the Company infringes or is alleged to infringe any patent or other proprietary right of any other Person.

(v) Trademarks. The Company is the owner of all right, title, and interest in and to each of the Marks, free and clear of all Liens and other adverse claims. All Marks that have been registered with the United States Patent and Trademark Office are currently in compliance with all formal legal requirements (including the timely post-registration filing of affidavits of use and incontestability and renewal applications), are valid and enforceable, and except as set forth on Schedule 3.1(dd) are not subject to any maintenance fees or taxes or actions falling due within 90 days after the Closing Date. Except as set forth in Schedule 3.1(w), no Mark has been or is now involved in any opposition, invalidation, or cancellation and, to the Company's Knowledge, no such action is threatened with respect to any of the Marks. To the Company's Knowledge: (1) there is no potentially interfering trademark or trademark application of any third party, and (2) no Mark is infringed or has been challenged or threatened in any way. To the Company's Knowledge, none of the Marks used by the Company infringes or is alleged to infringe any trade name, trademark, or service mark of any third party.

(vi) Copyrights. The Company is the owner of all rights, title, and interest in and to each of the Copyrights, free and clear of all Liens and other adverse claims. All the Copyrights have been registered and are currently in compliance with formal requirements, are valid and enforceable, and are not subject to any maintenance fees or taxes or actions falling due within ninety days after the date of the Closing. To the Company's Knowledge, no Copyright is infringed or has been challenged or threatened in any way. To the Company's Knowledge, none of the subject matter of any of the Copyrights infringes or is alleged to infringe any copyright of any third party or is a derivative work based on the work of a third party. All works encompassed by the Copyrights have been marked with the proper copyright notice.

(vii) Trade Secrets. With respect to each Trade Secret, the documentation relating to such Trade Secret is current, accurate, and sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the Knowledge or memory of any individual. The Company has taken all reasonable precautions to protect the secrecy, confidentiality, and value of its Trade Secrets. The Company has good title and an absolute and exclusive right to use the Trade Secrets. The Trade Secrets are not part of the public knowledge or literature, and, to the Company's Knowledge, have not been used, divulged, or appropriated either for the benefit of any Person (other the Company) or to the detriment of the Company, except as disclosed on Schedule 3.1(dd). No Trade Secret is subject to any adverse claim or has been challenged or threatened in any way.

(ee) Stock Option Plans. Each stock option granted by the Company under the stock option plan was granted (i) in accordance with the terms of such stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under any stock option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(ff) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's Knowledge, any director, officer, agent, employee or affiliate of the Company is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(gg) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance in all material respects with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the Knowledge of the Company or any Subsidiary, threatened.

(hh) No Integrated Transaction. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of: (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable Stockholder Approval provisions of the Principal Market on which any of the securities of the Company are listed or designated.

(ii) Sarbanes-Oxley; Internal Accounting Controls. The Company and the Subsidiaries are in material compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the SEC thereunder that are effective as of the date hereof and as of the Closing Date. The Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that, except as set forth in the SEC Documents: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded.

(jj) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage at least equal to the Subscription Amount, except as set forth on Schedule 3.1(jj). Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(kk) Disclosure. All of the disclosure furnished by or on behalf of the Company to the Purchaser regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, when taken together as a whole, is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that the Purchaser neither makes nor has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth herein.

(ll) Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, and the Company's good faith estimate of the fair market value of its assets, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder: (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no Knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. Schedule 3.1(ll) sets forth as of the date hereof all outstanding liens and secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. Except as disclosed on Schedule 3.1(jj), neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(mm) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the Knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law or (iv) violated in any material respect any provision of FCPA.

(nn) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, 5% or more of the outstanding shares of any class of voting securities or 25% or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(oo) Accountants and Lawyers. The Company's independent registered public accounting firm is set forth on Schedule 3.1(oo). To the Knowledge and belief of the Company, such accounting firm: (i) is an independent registered public accounting firm and (ii) has expressed its opinion with respect to the financial statements included in the Company's Annual Report for the fiscal year ended December 31, 2025. There are no disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which could affect the Company's ability to perform any of its obligations under any of the Transaction Documents.

(pp) Material Agreements. Except for the Transaction Documents (with respect to clause (i) only) or as set forth on Schedule 3.1(mm) hereto, or as would not be reasonably likely to have a Material Adverse Effect, (i) the Company and each of its Subsidiaries have performed all obligations required to be performed by them to date under any Material Agreement, (ii) neither the Company nor any of its Subsidiaries has received any notice of default under any Material Agreement and, (iii) to the best of the Company's Knowledge, neither the Company nor any of its Subsidiaries is in default under any Material Agreement now in effect.

(qq) Promotional Stock Activities. To the knowledge of the Company, neither the Company, its officers, its directors, nor any Affiliates or agents of the Company have engaged in any stock promotional activity that could give rise to a complaint, inquiry, or trading suspension by the SEC alleging (i) a violation of the anti-fraud provisions of the federal securities laws, (ii) violations of the anti-touting provisions, (iii) improper gun-jumping; or (iv) promotion without proper disclosure of compensation.

(rr) No "Off-balance Sheet Arrangements." Other than as set forth in Schedule 3.1(rr), neither the Company nor any of its Affiliates is involved in any "Off-balance Sheet Arrangements". For purposes hereof an "Off-balance Sheet Arrangement" means any transaction or contract to which an entity unconsolidated with the Company or any of its Affiliates is a party and under which either the Company or any such Affiliate has: (i) any obligation under a guarantee contract pursuant to which the Company or any of its Affiliates could be required to make payments to the guaranteed party, including any standby letter of credit, market value guarantee, performance guarantee, indemnification agreement, keep-well or other support agreement; (ii) any retained or contingent interest in assets transferred to such unconsolidated entity that serves as credit, liquidity or market risk support to the entity in respect of such assets; (iii) any variable interest held in such unconsolidated entity where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with the Company of any of its Affiliates; and (iv) any liability or obligation of the same nature as those described in clauses (i) through (iii) of this sentence even if of a different name (whether absolute, accrued, contingent or otherwise) that would not be required to be reflected in the Company or any of its Affiliates' financial statements.

(ss) Full Disclosure. No representation or warranty by the Company in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to the Purchaser pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to, and as applicable covenants with, the Company as of the date hereof and as of the Closing:

(a) Authority. The Purchaser has all necessary corporate power and authority to execute and deliver the Transaction Documents, to perform its obligations hereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Transaction Documents by the Purchaser, and the consummation by the Purchaser of the transactions contemplated hereby have been duly and validly authorized by its managing member, and no other company proceedings on the part of the Purchaser are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement and the Transaction Documents have been duly validly executed and delivered by the Purchaser and, assuming due authorization, execution and delivery by the Company, constitute a legally valid and binding obligation of the Purchaser, each enforceable against the Purchaser in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject to the effect of general principles of equity, whether considered in a proceeding in equity or at law).

(b) No Conflict. None of the execution, delivery or performance of the Transaction Documents by the Purchaser, the consummation by the Purchaser of the transactions contemplated by this Agreement, or compliance by the Purchaser with any of the provisions of this Agreement will (with or without notice or lapse of time, or both): (a) conflict with or violate any provision of the organizational or governing documents of the Purchaser, or (b) assuming that all consents, approvals, authorizations and permits described in Section 3.1(d) have been obtained and all filings and notifications described in Section 3.1(d) have been made and any waiting periods thereunder have terminated or expired, conflict with or violate any law applicable to the Purchaser, except, with respect to clause (b), for any such conflicts, violations, consents, breaches, losses, defaults, other occurrences which, individually or in the aggregate, have not had a material adverse effect on the ability of the Purchaser to perform its obligations hereunder.

(c) Information in the Form 8-K and Registration Statement. The information supplied by the Purchaser in writing expressly for inclusion or incorporation by reference in the Form 8-K (as hereinafter defined), the Registration Statement, and any amendment thereof or supplement thereto, will not, on the date submitted to the Company, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading; provided, that such information shall only consist the name, address and other information that is required to be provided in the Form 8-K and Registration Statement for purposes of identifying the Purchaser.

(d) No Litigation. There are no actions, suits, arbitrations, mediations, proceedings or claims pending or, to the reasonable knowledge of the Purchaser, threatened against Purchaser that seeks to restrain or enjoin the consummation of the transactions contemplated hereby.

(e) Securities Act Representations.

(i) Restricted Shares. The Purchaser represents that it understands that except as provided herein or in the Registration Rights Agreement, the Securities to be sold to it pursuant to this Agreement will not be registered pursuant to the registration requirements of the Securities Act and that the resale of such Securities is subject to certain restrictions hereunder and under federal and state securities laws. The Purchaser represents that it is acquiring such Securities for its own account, not as a nominee or agent, and not with a view to the distribution thereof in violation of applicable securities laws. The Purchaser further represents that it has been advised and understands that to the extent such Securities have not been registered under the Securities Act, such Securities must be held indefinitely unless (i) the resale of such Securities has been registered under the Securities Act, (ii) a sale of such Securities is made in conformity with the holding period, volume and other limitations of Rule 144 promulgated by the SEC under the Securities Act, or (iii) in the opinion of counsel reasonably acceptable to the Company, some other exemption from registration is available with respect to any proposed sale, transfer or other disposition of such Securities.

(ii) Legend. The Purchaser represents that it has been advised and understands that, subject to applicable securities laws, stop transfer instructions will be given to the Company's Transfer Agent with respect to the Securities and that a legend, substantially in the form provided for in Section 4.1(b) hereof, setting forth the restrictions on transfer will be set forth on the certificates for the Issuable Shares or any substitutions therefor.

(iii) Accredited Investor. The Purchaser is an accredited investor (as such term is defined in Regulation D under the Securities Act).

(iv) Affiliate Status. As of the date of this Agreement and during the 90 calendar days prior to the date of this Agreement, neither the Purchaser nor any Affiliate thereof is or was an officer, director, or 10% or more stockholder of the Company.

(v) Certain Fees. Purchaser represents that it has not paid, and shall not pay, any commissions or other remuneration, directly or indirectly, to any third party for the solicitation of any transaction contemplated by this Agreement and no additional consideration from the Purchaser was received or will be received by the Company for the Securities.

(vi) Absence of Reliance. Purchaser understands and acknowledges that the issuance and transfer to it of the Securities has not been reviewed by the SEC or any state securities regulatory authority because such transaction is intended to be exempt from the registration requirements of the Securities Act, and applicable state securities laws. Purchaser understands that the Company is relying upon the truth and accuracy of, and Purchaser's compliance with, the representations, warranties, acknowledgments and understandings of Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of Purchaser to acquire the Securities.

(vii) Status of Purchaser. Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of Purchaser's investment in the Company through Purchaser's acquisition of the Securities. The Purchaser is able to bear the economic risk of its investment in the Company through Purchaser's acquisition of the Securities for an indefinite period of time. The Purchaser acknowledges that it, either alone or together with its professional advisors, has the capacity to protect its own interests in connection with the transactions contemplated hereby.

(viii) No General Solicitation. The Purchaser represents and warrants that it was not induced to invest in the Company (pursuant to the issuance to it of the Securities) by any form of general solicitation or general advertising, including, but not limited to, the following: (a) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media (including via the Internet) or broadcast over the news or radio or (b) any seminar or meeting whose attendees were invited by any general solicitation or advertising.

(ix) No Short Sales. Purchaser agrees that neither it nor its Affiliates, agents or representatives shall at any time engage in any Short Sales of the Company's Common Stock or any other of the Company's securities.

(x) Acknowledgement of Receipt of Information. The Purchaser has had an opportunity to ask questions and receive answers and materials, and to discuss the business of the Company and its subsidiaries and related matters, with certain key officers of the Company and its subsidiaries regarding the transactions contemplated hereby. The Purchaser hereby acknowledges and agrees that other than the Company's representations and warranties set forth in Section 3.1 hereof, neither the Company nor any of its representatives makes or has made any representation or warranty, express or implied, at law or in equity, with respect to the business of the Company or any subsidiary thereof nor with respect to the Issuable Shares.

(f) Certificates evidencing Securities shall not be required to contain the legend set forth in Section 4.1 below or any other legend (i) while a registration statement covering the resale of such Securities is effective under the Securities Act, (ii) following any sale of such Securities pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company), (iii) if such Securities are eligible to be sold, assigned or transferred under Rule 144 (provided that the Purchaser provides the Company with reasonable assurances that such Securities are eligible for sale, assignment or transfer under Rule 144 which shall not include an opinion of the Purchaser's counsel), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that the Purchaser provides the Company with an opinion of counsel, in a generally acceptable form, to the effect that such sale, assignment or transfer of the Securities may be made without registration under the applicable requirements of the Securities Act or (v) if such legend is not required under applicable requirements of the Securities Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC). If a legend is not required pursuant to the foregoing, the Company shall no later than 9:00 a.m. the next Trading Day following the delivery by the Purchaser to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such Securities (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from the Purchaser as may be required below in this Section 4.1 (i), as directed by the Purchaser, either: (A) provided that the Company's transfer agent is participating in the DTC Fast Automated Securities Transfer Program and the Securities are Conversion Shares, credit the aggregate number of Conversion Shares to which the Purchaser shall be entitled to the Purchaser's or its designee's balance account with DTC through its Deposit and Withdrawal at Custodian system or (B) if the Company's transfer agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and deliver (via reputable overnight courier) to the Purchaser, a certificate representing such Securities that is free from all restrictive and other legends, registered in the name of the Purchaser or its designee. The Company shall be responsible for any transfer agent fees, fees of legal counsel to the Company or DTC fees with respect to any issuance of Securities or the removal of any legends with respect to any Securities in accordance herewith.

(g) the Purchaser understands that neither the SEC nor any state securities commission has approved the Securities or passed upon or endorsed the merits of the Transaction. There is no government or other insurance covering any of the Securities.

(h) The Purchaser has taken no action that would give rise to any claim by any person for brokerage commissions, finders' fees or the like relating to this Agreement or the transactions contemplated hereby.

(i) The Purchaser and the Purchaser's attorney, accountant, purchaser representative and/or tax advisor, if any (collectively, the "Advisors") has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of a prospective investment in the Securities. The Purchaser has not been organized solely for the purpose of acquiring the Securities. The Purchaser is not relying on the Company or any of its employees, agents, or advisors with respect to the legal, tax, economic and related considerations of an investment in the Securities, and the Purchaser has relied on the advice of, or has consulted with, only its own Advisors.

(j) No oral or written representations have been made, or oral or written information furnished, to the Purchaser or its Advisors, if any, in connection with the Transaction that are in any way inconsistent with the information contained herein.

ARTICLE IV
COVENANTS

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of the Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of such transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and the other applicable Transaction Documents and shall have the rights and obligations of the Purchaser under this Agreement.

(b) The Purchaser agrees to the imprinting, so long as is required by this Section 4.1, of a legend on the Securities in the following form:

"NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE OR EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES."

The Company acknowledges and agrees that, the Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and who agrees to be bound by the provisions of this Agreement and the other applicable Transaction Documents and, if required under the terms of such arrangement, the Purchaser may transfer pledged or secured Securities into the name of the pledgees or secured parties, in their respective capacities as such. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities.

(c) Certificates evidencing the Conversion Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof): (i) while a registration statement covering the resale of any such securities is effective under the Securities Act; (ii) following any sale of such Conversion Shares pursuant to Rule 144; or (iii) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the SEC). The Company shall upon request of the Purchaser and at the Company's sole expense cause its counsel (or at the Purchaser's option, counsel selected by the Purchaser) to issue a legal opinion reasonably satisfactory to the Transfer Agent, and in any event within one (1) Trading Day after request of the Purchaser, after any of the events described in (i)-(iii) in the preceding sentence if required by the Transfer Agent to effect the removal of the legend hereunder (with a copy to the applicable Purchaser and its broker). If all or any portion of any Preferred Shares is converted at a time when there is an effective registration statement to cover the resale of the Conversion Shares, or if such Conversion Shares may be sold under Rule 144 or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the SEC) then such Conversion Shares shall be issued free of all legends. The Company agrees that following such time as such legend is no longer required under this Section 4.1(c), it will, no later than 9:00 AM the next Trading Day following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing Conversion Shares issued with a restrictive legend (such Trading Day, the "Legend Removal Date"), instruct the Transfer Agent to deliver or cause to be delivered to the Purchaser a certificate representing such shares of Common Stock that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this ARTICLE IV. Certificates for the Conversion Shares that are subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company System as directed by the Purchaser.

(d) In lieu of delivering physical certificates representing the unlegended shares, upon request of the Purchaser, so long as the certificates therefor do not bear a legend and the Purchaser is not obligated to return such certificate for the placement of a legend thereon and provided it is commercially reasonable for the Company to do so, the Company shall cause its transfer agent to electronically transmit the unlegended shares by crediting the account of Purchaser's prime broker with the Depository Trust Company through its DWAC system, provided that the Company's Common Stock is DTC eligible and the Company's transfer agent participates in the Deposit Withdrawal at Custodian system and such Securities are Conversion Shares. Such delivery must be made on or before the Legend Removal Date.

(e) In the event the Purchaser shall request delivery of unlegended shares as described in this Section 4.1 and the Company is required to deliver such unlegended shares, the Company may not refuse to deliver unlegended shares based on any claim that the Purchaser or anyone associated or affiliated with the Purchaser has not complied with Purchaser's obligations under the Transaction Documents, or for any other reason, unless, an injunction or temporary restraining order from a court, on notice, restraining and or enjoining delivery of such unlegended shares shall have been sought and obtained by the Company and the Company has posted a surety bond for the benefit of the Purchaser in the amount of the greater of (i) 100% of the amount of the aggregate stated value of the Conversion Shares which is subject to the injunction or temporary restraining order, or (ii) the VWAP of the Common Stock on the trading day before the issue date of the injunction multiplied by the number of unlegended shares to be subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the dispute and the proceeds of which shall be payable to the Purchaser to the extent Purchaser obtains judgment in Purchaser's favor.

4.2 Furnishing of Information. For as long as the Purchaser owns Preferred Shares, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act. Upon the request of the Purchaser, the Company shall deliver to the Purchaser a written certification of a duly authorized officer as to whether it has complied with the preceding sentence. For as long as the Purchaser owns Preferred Shares, if the Company is not required to file reports pursuant to such laws, it will prepare and furnish to the Purchaser and make publicly available in accordance with Rule 144(c) such information as is required for the Purchaser to sell the Preferred Shares under Rule 144. The Company further covenants that it will take such further action as any holder of Preferred Shares may reasonably request, all to the extent required from time to time to enable such Person to sell such Preferred Shares without registration under the Securities Act within the limitation of the exemptions provided by Rule 144.

4.3 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Preferred Shares in a manner that would require the registration under the Securities Act of the sale of the Preferred Shares to Purchaser or that would be integrated with the offer or sale of the Preferred Shares for purposes of the rules and regulations of any Trading Market such that it would require stockholder approval prior to the closing of such other transaction unless stockholder approval is obtained before the closing of such subsequent transaction.

4.4 Securities Laws Disclosure; Publicity. The Company shall timely file a Current Report on Form 8-K (the "Form 8-K") as required by this Agreement, and may issue a press release, in each case reasonably acceptable to Purchaser, disclosing the material terms of the transactions contemplated hereby. The Company and Purchaser shall consult with each other in issuing any press releases with respect to the transactions contemplated hereby, and neither the Company nor Purchaser shall issue any such press release or otherwise make any such public statement without the prior consent of the Company, with respect to any such press release of Purchaser, or without the prior consent of Purchaser, with respect to any such press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law or Principal Market Rules, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of the Purchaser, or include the name of the Purchaser in any filing with the SEC or any regulatory agency or Principal Market, without the prior written consent of the Purchaser, except (i) as contained in the Form 8-K and press release described above, (ii) as required by federal securities law in connection with any registration statement under which the securities are registered, (iii) to the extent such disclosure is required by law or Principal Market Rules, in which case the Company shall provide Purchaser with prior notice of such disclosure, or (iv) to the extent such disclosure is required in any SEC Document filed by the Company.

4.5 Most Favored Nation Status. Not applicable.

4.6 Right of First Refusal. Not applicable.

4.7 Right of Participation. Not applicable.

4.8 Board Appointment Right. Not applicable.

4.9 Stockholders Rights Plan; Investment Company. No claim will be made or enforced by the Company or, to the Knowledge of the Company, any other Person that Purchaser is an "Acquiring Person" under any stockholders rights plan or similar plan or arrangement in effect or hereafter adopted by the Company, or that Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Preferred Shares under the Transaction Documents or under any other agreement between the Company and Purchaser. The Company shall conduct its business in a manner so that it will not become subject to the Investment Company Act of 1940, as amended.

4.10 Non-Public Information. The Company covenants and agrees that neither it nor any other Person acting on its behalf will provide Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto Purchaser shall have executed a written agreement regarding the confidentiality and use of such information. On and after the date hereof, neither Purchaser nor any Affiliate of Purchaser shall have any duty of trust or confidence that is owed directly, indirectly, or derivatively, to the Company or the stockholders of the Company, or to any other Person who is the source of material non-public information regarding the Company. The Company understands and confirms that Purchaser shall be relying on the foregoing in effecting transactions in securities of the Company.

4.11 Certain Limitations. Notwithstanding anything contained in any Transaction Document to the contrary, the parties covenant and agree that the Purchaser shall not convert any Preferred Shares, sell any Conversion Shares, exercise any Warrants or sell any Warrants to the extent it would exceed the Exchange Cap, unless and until the Company obtains Stockholder Approval of the Transaction in accordance with the Principal Market Rules. The Purchaser further covenants and agrees not to vote any of its Securities at the meeting of the stockholders held for the purpose of obtaining such Stockholder Approval. In addition, and notwithstanding the receipt of Stockholder Approval, the Company shall not issue, and the Purchaser shall not have the right to acquire, any shares of Common Stock upon conversion of any Preferred Shares or exercise of any Warrants to the extent that, after giving effect to such issuance, the Purchaser (together with its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Purchaser's for purposes of Section 13(d) of the Exchange Act) would beneficially own a number of shares of Common Stock exceeding the Beneficial Ownership Limitation. The Beneficial Ownership Limitation shall be applied, and may be waived, increased or decreased by the Purchaser solely as to itself, in the manner and subject to the notice requirements set forth in the COD and the Warrants, as applicable.

4.12 Approval by Holders of Capital Stock. The Company shall file with the SEC a preliminary proxy statement (or, if permitted, a definitive proxy statement) relating to the Stockholder Approval no later than 20 days following the Execution Date and shall use its reasonable best efforts to cause such proxy statement to be cleared, disseminated and approved by its stockholders as promptly as practicable, and in any event to obtain the Stockholder Approval no later than 90 days after the Execution Date, including by calling and holding a meeting of its stockholders and soliciting proxies in favor thereof. Until such Stockholder Approval has been obtained, the Purchaser shall not (i) convert its Preferred Shares into Conversion Shares or (ii) exercise any portion of the Warrants, in each case to the extent the same would exceed the Exchange Cap.

4.13 Certain Transactions. The Purchaser covenants and agrees that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any Short Sales of the Common Stock or hedging transaction, which establishes a net short position with respect to the Company's Common Stock during the period commencing with the execution of this Agreement and ending on the date of the full conversion of the Preferred Shares.

4.14 Registration Statement. The Company shall, within 30 days from the Execution Date, file a Registration Statement on Form S-1 (or if applicable, Form S-3) for the resale of the Conversion Shares and Warrant Shares (any other applicable securities) in accordance with the Registration Rights Agreement.

4.15 Maintenance of Registration Statement. For so long as any of the Issuable Shares remains outstanding, the Company shall use its best efforts to maintain the effectiveness of the Registration Statement for the resale thereunder of the Issuable Shares. The Company shall promptly amend the Registration Statement on such other form as may be necessary to maintain the effectiveness of the Registration Statement for this purpose. If at any time following the date hereof the Registration Statement is not effective or is not otherwise available for the issuance of the Issuable Shares or any prospectus contained therein is not available for use, the Company shall immediately notify the Purchaser in writing that the Registration Statement is not then effective or a prospectus contained therein is not available for use and thereafter shall promptly notify the Purchaser when the Registration Statement is effective again and available for the issuance of the Issuable Shares or such prospectus is again available for use.

4.16 Primary Market Compliance. Notwithstanding anything in this Agreement or any other Transaction Document to the contrary, the parties shall use commercially reasonable efforts to comply with the Principal Market Rules, including the listing requirements, and as long as the Common Stock remains listed on the Principal Market the parties shall not enforce any provision of any Transaction Document which does not comply with the Principal Market Rules.

4.17 Reservation of Shares. The Company shall initially duly authorize and reserve 417 shares of Series A Preferred Stock and thereafter shall have a sufficient number of duly authorized shares of Series A Preferred Stock to be able to issue the Preferred Shares to the Purchaser. The Company shall reserve, solely for the purpose of issuing the Issuable Shares, a number of shares of its authorized and unissued Common Stock equal to the Required Minimum (or, if less, the maximum number of shares of Common Stock that are authorized but unissued and not otherwise reserved for issuance as of the date hereof). Thereafter, the Company shall reserve and keep available out of its authorized and unissued Common Stock (i) solely for the purpose of issuing the Conversion Shares, a number of authorized and unissued shares of Common Stock as indicated in the COD and (ii) solely for the purpose of issuing the Warrant Shares, a number of authorized and unissued shares of Common Stock as indicated in the Warrant. Notwithstanding the foregoing, until such time as the Certificate of Incorporation has been amended to authorize a number of shares of Common Stock sufficient to satisfy the Required Minimum, the Company shall reserve and keep available the maximum number of shares of Common Stock that are authorized but unissued and not otherwise reserved for issuance as of the applicable date of determination, and the Company shall not be deemed in breach of this Section 4.16 for failing to reserve shares in excess of such maximum number prior to such amendment. The Company shall comply with its obligations under Section 4.26 to seek and effect an amendment to the Certificate of Incorporation to increase its authorized shares of Common Stock.

4.18 Listing. The Company shall promptly secure the listing or designation for quotation (as the case may be) of all of the Conversion Shares and the Warrant Shares upon each trading market and national securities exchange and automated quotation system, if any, upon which the Common Stock is then listed or designated for quotation (as the case may be) (so that all such Conversion Shares and the Warrant Shares may be traded on the foregoing, subject to official notice of issuance) and shall maintain such listing or designation for quotation (as the case may be) of all Conversion Shares and the Warrant Shares from time to time issuable under the terms of the Transaction Documents on such national securities exchange or automated quotation system. The Company shall maintain the Common Stock's listing or designation for quotation (as the case may be) on the Principal Market, the New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market (each, an "Eligible Market"). The Company shall not take any action which could be reasonably expected to result in the delisting or suspension of the Common Stock on the Principal Market or any Eligible Market. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 4.18.

4.19 Corporate Existence. So long as Purchaser owns the Warrant, the Company shall not be party to any Fundamental Transaction unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the Warrants.

4.20 Conduct of Business. The business of the Company shall not be conducted in violation of any law, ordinance or regulation of any governmental entity, except where such violations would not result, either individually or in the aggregate, in a Material Adverse Effect.

4.21 Passive Foreign Investment Company. The Company shall conduct its business in such a manner as will ensure that the Company will not be deemed to constitute a passive foreign investment company within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended.

4.22 Notice of Disqualification Events. The Company will notify the Purchaser in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person not otherwise disclosed herein.

4.23 Indemnification of Purchaser. Subject to the provisions of this Section 4.23, the Company will indemnify and hold the Purchaser and its officers, managers, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls the Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, managers, stockholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any the Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against, or any subpoena directed to, the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of the Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of the Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings the Purchaser Party may have with any such stockholder or any willful violations by such Purchaser Party of state or federal securities laws or any conduct by the Purchaser Party which constitutes fraud or willful misconduct). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, the Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party; provided, however, that the failure of any Purchaser Party to so notify the Company shall not relieve the Company of its obligations hereunder except to the extent, and only to the extent, that the Company is actually and materially prejudiced by such failure, and shall not in any event relieve the Company of any liability that it may have to any Purchaser Party otherwise than under this Section 4.23. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel retained to represent such Purchaser Party, a material conflict on any material issue between the position of the Company and the position of the Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (x) for any settlement by the Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (y) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by the Purchaser Party in this Agreement or in the other Transaction Documents or such Purchaser Party's fraud or willful misconduct. The indemnification required by this Section 4.23 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred, and such obligation to advance shall not be excused, conditioned upon, or delayed by reason of any assertion by the Company that a loss may be subject to an exclusion from indemnification hereunder unless and until such exclusion has been established by a final, non- appealable judgment of a court of competent jurisdiction. The indemnification contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to applicable law.

4.24 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the sale of the Securities by the Company under this Agreement as required under Regulation D. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchaser at the Closing under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of the Purchaser.

4.25 Use of Proceeds. The Company shall use the net proceeds from this offering solely for ordinary- course working capital and operating expenditures, refinancing of existing senior indebtedness, restructuring and integration costs in furtherance of the Company's strategic plan, professional fees (including legal, audit, listing- maintenance and directors' and officers' insurance), placement and advisory fees, and prepayment of rent under the Company's existing real property lease(s). Prior to the Closing, upon the request of the Purchaser, the Company shall deliver to the Purchaser a written accounting of the use of the net proceeds.

4.26 Authorized Share Increase. If at any time the number of authorized but unissued shares of Common Stock and/or Series A Preferred Stock shall not be sufficient to satisfy the Required Minimum, the Company shall obtain, as promptly as practicable and in any event within 90 days after such date, the approval of its stockholders for, and thereafter to effect, an amendment to the Certificate of Incorporation to increase the number of authorized shares of Common Stock and/or Series A Preferred Stock to such number as shall be sufficient to satisfy the Required Minimum, including by calling and holding a meeting of its stockholders and soliciting proxies in favor thereof and recommending that its stockholders approve such amendment. The Company shall seek such approval at the same meeting at which it seeks the Stockholder Approval pursuant to Section 4.12. If the Company does not obtain such stockholder approval at such meeting, the Company shall obtain such approval as soon as possible thereafter, including by calling and holding an additional meeting of its stockholders for such purpose (and soliciting proxies in favor thereof and recommending that its stockholders approve such amendment) following such meeting, and shall thereafter continue to call and hold a meeting of its stockholders for such purpose as soon as possible following each meeting at which such approval is not obtained, until such approval is obtained.

ARTICLE V
TERMINATION

5.1 Termination.

(a) The Purchaser may elect to terminate this Agreement upon the occurrence of any of the following:

(i) if at any time the Company has filed for and/or is subject to any bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors instituted by or against the Company or any Subsidiary of the Company;

(ii) the Company is in breach or default of any Material Agreement, which breach or default could reasonably be expected to have a Material Adverse Effect;

(iii) the Company is in breach or default of this Agreement, any Transaction Document, or any agreement with any Purchaser or any Affiliate of the Purchaser, which breach or default could reasonably be expected to have a Material Adverse Effect; or

(iv) upon the occurrence of a Fundamental Transaction.

(b) The Company may elect to terminate this Agreement in the event that the Purchaser is in breach or default of this Agreement, any Transaction Document, or any agreement with the Company or any Affiliate of the Company, which breach or default would be expected to have a Material Adverse Effect.

(c) In addition, termination shall not relieve any party of liability for any breach occurring prior to termination, and any provision that by its terms survives shall survive termination of the Agreement.

ARTICLE VI
MISCELLANEOUS

6.1 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever the Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then the Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that in the case of a rescission of a conversion of any Preferred Share, the Purchaser shall be required to return any shares of Common Stock subject to any such rescinded conversion or exercise notice concurrently with the return to the Purchaser of the aggregate exercise price paid to the Company for such shares.

6.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its Advisors, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of the Transaction Documents.

6.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

6.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the time of transmission, if such notice or communication is delivered via email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the time of transmission, if such notice or communication is delivered via email attachment at the email address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K.

6.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchaser, or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

6.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

6.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser. The Purchaser may assign any or all of its rights under this Agreement to any Person to whom the Purchaser assigns or transfers any Preferred Shares , provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchasers."

6.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth herein.

6.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective Affiliates, employees or agents) shall be commenced exclusively in the state and/or federal courts located in New York City, New York. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the state and/or federal courts located in New York City, New York for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any such New York Court, or that such Proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

6.10 Survival. Subject to applicable statute of limitations, the representations and warranties contained herein shall survive the Closing Date.

6.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

6.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

6.13 Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

6.14 Replacement of Securities. If any certificate or instrument evidencing any of the Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon surrender and cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft, destruction, or mutilation, and of the ownership of such Security. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity and bonds) associated with the issuance of such replacement Securities.

6.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchaser and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

6.16 Payment Set Aside. To the extent that the Company makes a payment or payments to the Purchaser pursuant to any Transaction Document or the Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

6.17 Liquidated Damages. The Company’s obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts due thereunder have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

6.18 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

6.19 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

6.20 WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.

6.21 Equitable Adjustment. Trading volume amounts, price/volume amounts and similar figures in the Transaction Documents shall be equitably adjusted (but without duplication) to offset the effect of stock splits, similar events and as otherwise described in this Agreement, if such events shall occur between the date of this Agreement and a Tranche Closing.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed by its authorized signatory as of the date first indicated above.

POLAR POWER, INC.

By: /s/ Arthur D. Sams
Name: Arthur D. Sams
Title: Chief Executive Officer

Address for Notice:

Attention: Arthur D. Sams

E-Mail: asams@polarpowerinc.com

IN WITNESS WHEREOF, the undersigned has caused this Securities Purchase Agreement to be duly executed by its authorized signatory of the date first indicated above.

PURCHASER SIGNATURE PAGES TO POLAR POWER, INC. SECURITIES PURCHASE AGREEMENT

Name of Purchaser: LU2 Holdings LLC

Signature of Authorized Signatory of Purchaser: /s/ Lucinda Lefkowitz

Name of Authorized Signatory: Lucinda Lefkowitz

Title of Authorized Signatory: Managing Member

Email Address of Authorized Signatory:

Address for Notice to Purchaser: 132 Oval Road, Manasquan, NJ 08736

Investment: $375,000

Number of Series A Convertible Preferred Shares: 417

EIN Number:

Exhibit 10.15

REGISTRATION RIGHTS AGREEMENT

THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement") dated as of October 12, 2026, is made by and between the purchasers set forth on the signature pages hereto (including their respective designees, successors and assigns, each, a "Purchaser," and collectively, the "Purchasers"), and Polar Power, Inc., a Delaware corporation (the "Company"). The Investor and the Company may be referred to herein individually as a "Party" and collectively as the "Parties."

WHEREAS, the Company and the Investor have entered into that certain Securities Purchase Agreement, dated as of the date hereof (the "Preferred Purchase Agreement"), pursuant to which the Company has agreed to issue and sell to the Investor shares of the Company's Series A Convertible Preferred Stock (the "Preferred Stock"), having the rights, preferences and privileges set forth in the Company's Certificate of Designation (the "Certificate of Designation"), which are convertible into Common Shares, together with warrants to purchase Common Shares (the "Preferred Warrants" and, collectively, the "Warrants"); and

WHEREAS, pursuant to the terms of, and in consideration for the Investor entering into, the Purchase Agreement, and to induce the Investor to execute and deliver the Purchase Agreement, the Company has agreed to provide the Investor with certain registration rights under the Securities Act of 1933, as amended, and the rules and regulations thereunder, or any similar successor statute (collectively, the "Securities Act").

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Investor hereby agree as follows:

1. DEFINITIONS.

Capitalized terms used herein and not otherwise defined herein shall have the respective meanings set forth in the Purchase Agreement, the Note Purchase Agreement or the Preferred Purchase Agreement, as applicable. As used in this Agreement, the following terms shall have the following meanings:

(a) "Effectiveness Deadline" means, with respect to the initial Registration Statement filed hereunder, the 30th calendar day following the initial filing hereof, provided, however, in the event the Company is notified by the U.S. Securities and Exchange Commission ("SEC") that the Registration Statement will be reviewed, the 75th calendar day following the initial filing hereof; provided, further, however, that in the event the Company is notified by the SEC that the Registration will not be reviewed or is no longer subject to further review and comments, the Effectiveness Deadline as to such Registration Statement shall be the fifth business day following the date on which the Company is so notified if such date precedes the date required above.

(b) "Event Date" means, with respect to any Event, the date on which such Event occurs (or, in the case of an Event described in clause (i) or (ii) of Section 2(f), the applicable Filing Deadline or Effectiveness Deadline, as the case may be).

(c) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(d) "Exchange Cap" means the maximum number of Common Shares that may be issued under the Purchase Agreement without breaching the Company's obligations under the applicable rules of the Principal Market (including Nasdaq Listing Rule 5635(d)), equal to 19.99% of the Common Shares outstanding as of the date of the applicable Transaction Agreement, unless and until the Company has obtained Shareholder Approval.

(e) "Filing Deadline" means, with respect to the initial Registration Statement required hereunder, the 30th calendar day following the date of this Agreement and, with respect to any additional Registration Statement required to be filed pursuant to Section 2(c), the 30th calendar day following the date on which the obligation to file such additional Registration Statement arises.

(f) "Person" means a corporation, a limited liability company, an association, a partnership, an organization, a business, an individual, a governmental or political subdivision thereof or a governmental agency.

(g) "Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

(h) "Required Registration Amount" means, as of any time of determination, the sum of (i) 100% of the maximum number of Preferred Conversion Shares issuable upon conversion of the Preferred Stock issued and outstanding, and (ii) 100% of the maximum number of Warrant Shares issuable upon exercise of the Warrants issued and outstanding (assuming for purposes hereof that any such exercise shall not take into account any limitations on the exercise of the Warrants set forth therein), in each case without regard to the Exchange Cap, and all subject to adjustment as provided in Section 2(c) and Section 2(e) and in the event of any stock split, stock dividend or other distribution, recapitalization, anti-dilution adjustment, reset or similar event or otherwise, or conversion or exchange into shares of capital stock of a successor entity as part of any merger or similar transaction.

(i) "Registrable Securities" means, without duplication, (i) all Common Shares issued or issuable upon conversion of the Preferred Stock, including all Common Shares issuable in respect of the stated value thereof and all accrued, capitalized and paid-in-kind dividends thereon (the "Preferred Conversion Shares"); (ii) all Warrant Shares; and (iii) any capital stock issued or issuable with respect to any of the foregoing as a result of any stock split, stock dividend or other distribution, recapitalization, reset, anti-dilution adjustment, combination, exchange, merger, consolidation, reorganization or similar event, or as a dividend or other distribution in respect of, in exchange for, or in replacement of, any of the foregoing, including shares of capital stock of a successor entity into which the Common Shares are converted or exchanged; provided, that, as to any particular Registrable Securities, such securities shall cease to be Registrable Securities upon the earliest to occur of: (1) the date on which a Registration Statement covering such securities has been declared effective by the SEC and such securities have been sold, transferred or otherwise disposed of by the holder thereof pursuant to such effective Registration Statement; (2) the date on which such securities have been sold pursuant to Rule 144; (3) the date on which such securities may be sold or transferred without volume or manner-of-sale limitations and without the requirement for the Company to be in compliance with the current public information requirement under Rule 144; or (4) the date on which such securities cease to be outstanding.

(j) "Registration Statement" means any registration statement of the Company filed pursuant to this Agreement, including the Prospectus, amendments and supplements to such registration statement or Prospectus, including post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

(k) "Rule 144" means Rule 144 under the Securities Act or any successor rule thereto.

(l) “Rule 415” means Rule 415 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.

(m) “Rule 416” means Rule 416 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same purpose and effect as such Rule.

(n) “SEC” means the Securities and Exchange Commission or any other federal agency administering the Securities Act and the Exchange Act at the time.

(o) “Shareholder Approval” means such approval of the Company’s stockholders as may be required by the applicable rules of the Principal Market (including Nasdaq Listing Rule 5635(d)) to permit the issuance of Preferred Shares under the Purchase Agreement in excess of the Exchange Cap.

(p) “Securities Act” shall have the meaning set forth in the Recitals above.

(q) “Warrant Shares” means all Common Shares issued or issuable upon exercise of the Warrants.

2. REGISTRATION.

(a) The Company’s registration obligations set forth in this Section 2 including its obligations to file Registration Statements, obtain effectiveness of Registration Statements, and maintain the continuous effectiveness of any Registration Statement that has been declared effective shall begin on the date hereof and continue until the date on which the Investor no longer holds any Registrable Securities (the “Registration Period”).

(b) Subject to the terms and conditions of this Agreement, the Company shall (i) as soon as practicable, but in no case later than the Filing Deadline, prepare and file with the SEC an initial Registration Statement on Form S-1 or any successor form thereto covering the resale by the Investor of the maximum number of Registrable Securities as shall be permitted to be included thereon in accordance with applicable SEC rules, regulations and interpretations so as to permit the resale of such Registrable Securities by the Investor under Rule 415 at then prevailing market prices (and not fixed prices). Such Registration Statement shall also cover, to the extent allowable under the Securities Act and the rules promulgated thereunder (including Rule 416), such indeterminate number of additional shares of Common Stock resulting from stock splits, stock dividends or similar transactions with respect to the Registrable Securities. The Registration Statement shall contain “Selling Stockholders” and “Plan of Distribution” sections. The Company shall use its reasonable best efforts to have the Registration Statement declared effective by the SEC as soon as practicable but in no event later than the Effectiveness Deadline. By 9:30 am on the business day following the date of effectiveness, the Company shall file with the SEC in accordance with Rule 424 under the Securities Act the final Prospectus to be used in connection with sales pursuant to such Registration Statement. Prior to the filing of the Registration Statement with the SEC, the Company shall furnish a draft of the Registration Statement to the Investor for their review and comment. The Investor shall furnish comments on the Registration Statement to the Company within 48 hours of the receipt thereof from the Company.

(c) Sufficient Number of Shares Registered. If at any time all Registrable Securities are not covered by a Registration Statement filed pursuant to Section 2(a) as a result of Section 2(e) or otherwise, the Company shall use its reasonable best efforts to file with the SEC one or more additional Registration Statements so as to cover all of the Registrable Securities not covered by such initial Registration Statement, in each case as soon as practicable (taking into account any position of the staff of the SEC with respect to the date on which the Staff will permit such additional Registration Statement(s) to be filed with the SEC and the rules and regulations of the SEC). The Company shall use its reasonable best efforts to cause each such new Registration Statement to become effective as soon as reasonably practicable following the filling thereof with the SEC.

(d) During the Registration Period, the Company shall (i) promptly prepare and file with the SEC such amendments (including post-effective amendments) and supplements to a Registration Statement and the Prospectus used in connection with a Registration Statement, which Prospectus is to be filed pursuant to Rule 424 promulgated under the Securities Act, as may be necessary to keep such Registration Statement effective at all times during the Registration Period, (ii) prepare and file with the SEC additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities; (iii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement (subject to the terms of this Agreement), and as so supplemented or amended to be filed pursuant to Rule 424; (iv) respond as promptly as reasonably possible to any comments received from the SEC with respect to a Registration Statement or any amendment thereto and as promptly as reasonably possible provide the Investor true and complete copies of all correspondence from and to the SEC relating to a Registration Statement (provided that the Company may excise any information contained therein which would constitute material non-public information to the Investor); and (v) comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities of the Company covered by such Registration Statement until such time as all of such Registrable Securities shall have been disposed of in accordance with the intended methods of disposition by the seller or sellers thereof as set forth in such Registration Statement. In the case of amendments and supplements to a Registration Statement which are required to be filed pursuant to this Agreement (including pursuant to this Section 2(c)) by reason of the Company's filing an annual report on Form 10-K, Form 10-Q or Form 8-K, the Company shall incorporate such report by reference into the Registration Statement, if applicable, or shall file such amendments or supplements with the SEC as promptly as reasonably practicable after the Exchange Act report is filed which created the requirement for the Company to amend or supplement the Registration Statement.

(e) Reduction of Registrable Securities Included in a Registration Statement. Notwithstanding anything contained herein, in the event that the SEC requires the Company to reduce the number of Registrable Securities to be included in a Registration Statement in order to allow the Company to rely on Rule 415 with respect to a Registration Statement, then the Company shall reduce the number of Registrable Securities to be included in such Registration Statement (with the specific Registrable Securities to be removed to be designated by the Investor); provided, however, that the Required Registration Amount shall be included and prioritized for registration ahead of any other Shares registered on the Registration Statement) to the maximum number of securities as is permitted to be registered by the SEC. In the event of any reduction in Registrable Securities pursuant to this paragraph, the Company shall, as soon as practicable, but in any event not later than 15 days after the date on which the Staff shall permit the filing of one or more new Registration Statements, file with the Commission one or more new Registration Statements in accordance with Section 2(c) until such time as all Registrable Securities have been included in Registration Statements that have been declared effective and the Prospectuses contained therein are available for use by the Investor.

(f) Failure to File or Obtain Effectiveness of the Registration Statement or Remain Current. If: (i) a Registration Statement is not filed on or prior to its Filing Deadline, or (ii) a Registration Statement is not declared effective on or prior to the Effectiveness Deadline, or the Company fails to file with the SEC a request for acceleration in accordance with Rule 461 promulgated under the Securities Act, within five business days of the date that the Company is notified (orally or in writing, whichever is earlier) by the SEC that a Registration Statement will not be "reviewed," or not subject to further review, or (iii) after the effectiveness, a Registration Statement ceases for any reason to remain continuously effective as to all Registrable Securities for which it is required to be effective, or (iv) the Investor is not permitted to utilize the Prospectus therein to resell such Registrable Securities (which need not be consecutive calendar days), or (v) if after the date that is six months from the date hereof, the Company does not have available adequate current public information as set forth in Rule 144(c), in the case of clauses (iii), (iv) or (v) that continues for more than 30 consecutive calendar days or more than an aggregate of 60 calendar days during any 12-month period (any such failure or breach being referred to as an "Event"), then in addition to any other rights the Investor may have hereunder or under applicable law, the Company shall be in breach of the terms and conditions of this Agreement and such Event shall be deemed an event of default for so long as such Event remains uncured. During the period of the existence of an uncured Event, the Investor shall have no obligation to accept a Purchase Notice or accept or purchase any Shares (other than any Shares purchased by the Investor prior to the occurrence of the Event). Upon the occurrence of each Event, and on each monthly anniversary of the applicable Event Date thereafter (if the applicable Event has not been cured by such date), the Company shall incur liquidated damages, and not a penalty, in an amount equal to 2.0% of the aggregate purchase price paid by the Investor for the Series A Convertible Preferred Stock pursuant to the Purchase Agreement; provided, that (A) in no event shall the aggregate liquidated damages payable under this Section 2(f) exceed 6.0% of such aggregate purchase price; and (B) no Event shall be deemed to have occurred, and no liquidated damages shall accrue, to the extent the applicable failure or delay results from the SEC's review or comment process (so long as the Company is using commercially reasonable efforts to respond), any act or omission of the Investor, the Investor's failure to timely furnish information reasonably requested for the Registration Statement. Such liquidated damages shall be added to, and increase, the Mandatory Default Amount under the Certificate of Designation (allocated to the Series A Convertible Preferred Stock pro rata based on the respective aggregate purchase prices paid by the Investor therefor), and shall become due and payable only as, and at such time as, the Mandatory Default Amount becomes due and payable under the Certificate of Designation.

(g) No Inclusion of Other Securities. In no event shall the Company include any securities other than Registrable Securities on any Registration Statement pursuant to Section 2(a) or Section 2(c) without consulting with the Investor, and receiving Investor's written consent, prior to filing such Registration Statement with the SEC. Notwithstanding the foregoing, the Investor's consent under this Section shall not be unreasonably withheld, conditioned or delayed, and shall not be required for the inclusion on a Registration Statement of securities offered by the Company for its own account or of securities of other selling securityholders entitled to registration rights. In the event the SEC advises the Company that the inclusion of all Registrable Securities and/or other securities on a Registration Statement is not permissible under Rule 415 or otherwise requires the Company to reduce the number of securities to be registered, the Company shall first include all Registrable Securities requested to be included by the Investor to the maximum extent permitted by the SEC before including any securities of any other selling securityholder. To the extent any reduction in the number of securities registered is required by the SEC, such reduction shall be applied first to the securities of all other selling securityholders, and only thereafter, if required by the SEC, to the Registrable Securities of the Investor. Notwithstanding anything in this Section 2(g) or Section 2(i) to the contrary, the securities of any holder of registration rights existing as of the date hereof (each, a "Prior Rights Holder") shall be included in each Registration Statement in accordance with, and with the priority afforded by, such Prior Rights Holder's existing registration rights agreement, and any reduction of securities required by the SEC shall be applied to the Registrable Securities and the securities of the Prior Rights Holders in the manner and order of priority set forth in such existing agreements (or, if not so specified, pro rata based on the number of shares requested to be registered); nothing in this Section 2(g) shall subordinate, limit, or impair any Prior Rights Holder's existing registration rights.

(h) Piggy-Back Registrations. If at any time there is not an effective Registration Statement covering all of the Registrable Securities and the Company proposes to register the offer and sale of any Common Shares under the Securities Act (other than a registration (i) pursuant to a Registration Statement on Form S-8 (or other registration solely relating to an offering or sale to employees or directors of the Company pursuant to any employee stock plan or other employee benefit arrangement), (ii) pursuant to a Registration Statement on Form S-4 (or similar form that relates to a transaction subject to Rule 145 under the Securities Act or any successor rule thereto), or (iii) in connection with any dividend or distribution reinvestment or similar plan), whether for its own account or for the account of one or more stockholders of the Company and the form of Registration Statement to be used may be used for any registration of Registrable Securities, the Company shall give prompt written notice (in any event no later than five days prior to the filing of such Registration Statement) to the holders of Registrable Securities of its intention to effect such a registration and, shall include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion from the holders of Registrable Securities; provided, that, the Company shall not be required to register any Registrable Securities pursuant to this Section 2(h) that have been sold or may permanently be sold without any restrictions pursuant to Rule 144, as determined by the counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company's transfer agent. Notwithstanding the foregoing, with respect to any underwritten offering initiated by the Company for its own account, if the managing underwriter advises in writing that the number of securities proposed to be included exceeds the number that can be sold without adversely affecting such offering, the Registrable Securities requested to be included may be reduced or excluded to the extent so advised, pro rata among the holders requesting inclusion.

(i) Priority of Registrable Securities. Without the prior written consent of the Investor, the Company shall not grant to any other Person any registration rights that are senior to, pari passu with, or otherwise inconsistent with, or that would limit, delay or impair, the rights of the Investor hereunder. To the extent the Company has granted, or hereafter grants, registration rights to any other Person, the Company shall cause the Registrable Securities to be included and prioritized on each Registration Statement ahead of any securities held by such other Person. Notwithstanding the foregoing, (i) the Investor's consent under this Section shall not be unreasonably withheld, conditioned or delayed, (ii) this Section shall not apply to registration rights existing as of the date hereof, and (iii) nothing in this Section shall prohibit the Company from effecting, or granting registration rights in connection with, its own primary capital-raising transactions, so long as the Registrable Securities retain the priority described above.

3. RELATED OBLIGATIONS.

(a) The Company shall, not less than three business days prior to the filing of each Registration Statement and not less than one business day prior to the filing of any related amendments and supplements to all Registration Statements (except for annual reports on Form 10-K, supplements and amendments to update the Registration Statement solely for information reflected in the Company's annual reports on Form 10- K, quarterly reports or current reports on Form 8-K), furnish to each Investor copies of all such documents proposed to be filed, which documents (other than those incorporated or deemed to be incorporated by reference) will be subject to the reasonable and prompt review of such Investor. The Company shall not file a Registration Statement or any such Prospectus or any amendments or supplements thereto to which the Investor shall reasonably object in good faith; provided that, the Company is notified of such objection in writing no later than two Trading Days after the Investor have been so furnished copies of a Registration Statement.

(b) The Company shall furnish to the Investor whose Registrable Securities are included in any Registration Statement, without charge (i) at least one copy (which may be in electronic form) of such Registration Statement as declared effective by the SEC and any amendment(s) thereto, including financial statements and schedules, all documents incorporated therein by reference, all exhibits and each preliminary prospectus, (ii) at least one copy (which may be in electronic form) of the final prospectus included in such Registration Statement and all amendments and supplements thereto, and (iii) any documents, which are not publicly available through EDGAR, as the Investor may reasonably request from time to time in order to facilitate the disposition of the Registrable Securities owned by such Investor.

(c) The Company shall use its reasonable best efforts to (i) register and qualify the Registrable Securities covered by a Registration Statement under such other securities or "blue sky" laws of such jurisdictions in the United States as any Investor reasonably requests, (ii) prepare and file in those jurisdictions, such amendments (including post-effective amendments) and supplements to such registrations and qualifications as may be necessary to maintain the effectiveness thereof during the Registration Period, (iii) take such other actions as may be necessary to maintain such registrations and qualifications in effect at all times during the Registration Period, and (iv) take all other actions reasonably necessary or advisable to qualify the Registrable Securities for sale in such jurisdictions; provided, however, that the Company shall not be required in connection therewith or as a condition thereto to (w) make any change to its articles of incorporation or by-laws, (x) qualify to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 3(c), (y) subject itself to general taxation in any such jurisdiction, or (z) file a general consent to service of process in any such jurisdiction. The Company shall promptly notify the Investor of the receipt by the Company of any notification with respect to the suspension of the registration or qualification of any of the Registrable Securities for sale under the securities or "blue sky" laws of any jurisdiction in the United States or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(d) As promptly as practicable after becoming aware of such event or development, the Company shall notify the Investor in writing of the happening of any event as a result of which the Prospectus included in a Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (provided that in no event shall such notice contain any material, nonpublic information), and promptly prepare a supplement or amendment to such Registration Statement to correct such untrue statement or omission and deliver one electronic copy of such supplement or amendment to the Investor. The Company shall also promptly notify the Investor in writing (i) when a Prospectus or any Prospectus supplement or post- effective amendment has been filed, and when a Registration Statement or any post- effective amendment has become effective (notification of such effectiveness shall be delivered to each Investor by facsimile on the same day of such effectiveness), (ii) of any request by the SEC for amendments or supplements to a Registration Statement or related prospectus or related information, and (iii) of the Company's reasonable determination that a post-effective amendment to a Registration Statement would be appropriate. The Company shall respond as promptly as reasonably practicable to any comments received from the SEC with respect to a Registration Statement or any amendment thereto.

(e) The Company shall use its reasonable best efforts to prevent the issuance of any stop order or other suspension of effectiveness of a Registration Statement, or the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction within the United States of America and, if such an order or suspension is issued, to obtain the withdrawal of such order or suspension at the earliest possible moment and to notify each Investor who holds Registrable Securities being sold of the issuance of such order and the resolution thereof or its receipt of actual notice of the initiation or threat of any proceeding for such purpose.

(f) Without limiting any obligation of the Company under the Purchase Agreement, the Company shall use commercially reasonable efforts either to cause all of the Registrable Securities covered by each Registration Statement to be listed on the Principal Market. The Company shall pay all fees and expenses in connection with satisfying its obligation under this Section 3(f).

(g) The Company shall hold in confidence and not make any disclosure of information concerning the Investor provided to the Company unless (i) disclosure of such information is necessary to comply with federal or state securities laws, (ii) the disclosure of such information is necessary to avoid or correct a misstatement or omission in any Registration Statement, (iii) the release of such information is ordered pursuant to a subpoena or other final, non-appealable order from a court or governmental body of competent jurisdiction, or (iv) such information has been made generally available to the public other than by disclosure in violation of this Agreement or any other agreement. The Company agrees that it shall, upon learning that disclosure of such information concerning the Investor is sought in or by a court or governmental body of competent jurisdiction or through other means, give prompt written notice to such Investor and allow such Investor, at the Investor's expense, to undertake appropriate action to prevent disclosure of, or to obtain a protective order for, such information.

(h) The Company shall cooperate with the holders of the Registrable Securities to facilitate the timely preparation and delivery of certificates or book-entry statements representing the Registrable Securities to be sold pursuant to such Registration Statement or Rule 144 free of any restrictive legends and representing such number of Common Shares and registered in such names as the holders of the Registrable Securities may reasonably request a reasonable period of time prior to sales of Registrable Securities pursuant to such Registration Statement or Rule; provided, that the Company may satisfy its obligations hereunder without issuing physical stock certificates or book-entry statements through the use of The Depository Trust Company's Direct Registration System.

(i) The Company shall use its reasonable best efforts to cause the Registrable Securities to be registered with or approved by such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities.

(j) The Company shall otherwise use its commercially reasonable efforts to comply with all applicable rules and regulations of the SEC in connection with any registration hereunder.

(k) Within one business day after a Registration Statement which covers Registrable Securities is declared effective by the SEC, the Company shall deliver, and shall cause legal counsel for the Company to deliver, to the transfer agent for such Registrable Securities (with copies to the Investor whose Registrable Securities are included in such Registration Statement) confirmation that such Registration Statement has been declared effective by the SEC.

(l) The Company shall take all other reasonable actions necessary to expedite and facilitate disposition by the Investor of Registrable Securities pursuant to a Registration Statement.

4. OBLIGATIONS OF THE INVESTOR.

(a) The Investor agrees that, upon receipt of any notice from the Company of the occurrence of any event of the kind described in Section 3(d), the Investor shall as soon as reasonably practicable discontinue disposition of Registrable Securities pursuant to any Registration Statement covering such Registrable Securities until the Investor's receipt of the copies of the supplemented or amended prospectus contemplated by Section 3(d) or receipt of notice that no supplement or amendment is required. Notwithstanding anything to the contrary, subject to compliance with the securities laws, the Company shall cause its transfer agent to deliver unlegended certificates for Common Shares to a transferee of the Investor in accordance with the terms of the Purchase Agreement in connection with any sale of Registrable Securities with respect to which the Investor has entered into a contract for sale prior to the Investor's receipt of a notice from the Company of the happening of any event of the kind described in Section 3(d) and for which the Investor has not yet settled.

(b) The Investor covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it or an exemption therefrom in connection with sales of Registrable Securities pursuant to the Registration Statement.

(c) The Investor, by its acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of each Registration Statement hereunder, unless the Investor has notified the Company in writing of the Investor's election to exclude all of the Investor's Registrable Securities from such Registration Statement.

5. EXPENSES OF REGISTRATION.

All expenses incurred by the Company in complying with its obligations pursuant to this Agreement and in connection with the registration and disposition of Registrable Securities shall be paid by the Company, including, without limitation, all registration, listing and qualifications fees, printers, fees and expenses of the Company's counsel and accountants (except legal fees of Investor's counsel associated with the review of the Registration Statement).

6. INDEMNIFICATION.

With respect to Registrable Securities which are included in a Registration Statement under this Agreement:

(a) To the fullest extent permitted by law, the Company will, and hereby does, indemnify, hold harmless and defend the Investor, the directors, officers, partners, employees, agents, representatives of, and each Person, if any, who controls the Investor within the meaning of the Securities Act or the Exchange Act (each, an "Indemnified Person"), against any losses, claims, damages, liabilities, judgments, fines, penalties, charges, costs, reasonable attorneys' fees, amounts paid in settlement or expenses, joint or several (collectively, "Claims") incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or the SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto ("Indemnified Damages"), to which any of them may become subject insofar as such Claims (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of a material fact in a Registration Statement or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under the securities or other "blue sky" laws of any jurisdiction in which Registrable Securities are offered ("Blue Sky Filing"), or the omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading; (ii) any untrue statement or alleged untrue statement of a material fact contained in any final prospectus (as amended or supplemented, if the Company files any amendment thereof or supplement thereto with the SEC) or the omission or alleged omission to state therein any material fact necessary to make the statements made therein, in light of the circumstances under which the statements therein were made, not misleading; or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any other law, including, without limitation, any state securities law, or any rule or regulation there under relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement (the matters in the foregoing clauses (i) through (iii) being, collectively, "Violations"). The Company shall reimburse the Investor and each such controlling person promptly as such expenses are incurred and are due and payable, for any legal fees or disbursements that are reasonably incurred by them or other reasonable expenses incurred by them in connection with investigating or defending any such Claim. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(a): (x) shall not apply to a Claim by an Indemnified Person arising out of or based upon a Violation which occurs in reliance upon and in conformity with information furnished in writing to the Company by such Indemnified Person expressly for use in connection with the preparation of the Registration Statement or any such amendment thereof or supplement thereto; (y) shall not be available to the extent such Claim is based on a failure of the Investor to deliver or to cause to be delivered the prospectus made available by the Company, if such prospectus was timely made available by the Company pursuant to Section 3(c); and (z) shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Indemnified Person.

(b) In connection with a Registration Statement, the Investor agrees to indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in Section 6(a), the Company, each of its directors, each of its officers, employees, representatives, or agents and each Person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act (each an "Indemnified Party"), against any Claim or Indemnified Damages to which any of them may become subject, under the Securities Act, the Exchange Act or otherwise, insofar as such Claim or Indemnified Damages arise out of or is based upon any Violation, in each case to the extent, and only to the extent, that such Violation occurs (i) in reliance upon and in conformity with written information furnished to the Company by such Investor expressly for use in connection with such Registration Statement or (ii) from the Investor's violation of any prospectus delivery requirements under the Securities Act, the Exchange Act, any other law, including, without limitation, any state securities law, or any rule or regulation there under relating to the offer or sale of the Registrable Securities pursuant to a Registration Statement; and, subject to Section 6(d), such Investor will reimburse any legal or other expenses reasonably incurred by them in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 6(b) and the agreement with respect to contribution contained in Section 7 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of such Investor, which consent shall not be unreasonably withheld, conditioned or delayed; provided, further, however, that, absent fraud or gross negligence, the Investor shall be liable under this Section 6(b) for only that amount of a Claim or Indemnified Damages as does not exceed the net proceeds to such Investor as a result of the sale of Registrable Securities pursuant to such Registration Statement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Indemnified Party. Notwithstanding anything to the contrary contained herein, the indemnification agreement contained in this Section 6(b) with respect to any prospectus shall not inure to the benefit of any Indemnified Party if the untrue statement or omission of material fact contained in the prospectus was corrected and such new prospectus was delivered to each Investor prior to such Investor's use of the prospectus to which the Claim relates.

(c) Promptly after receipt by an Indemnified Person or Indemnified Party under this Section 6 of notice of the commencement of any action or proceeding (including any governmental action or proceeding) involving a Claim, such Indemnified Person or Indemnified Party shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 6, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel reasonably mutually satisfactory to the indemnifying party and the Indemnified Person or the Indemnified Party, as the case may be; provided, however, that an Indemnified Person or Indemnified Party shall have the right to retain its own counsel with the reasonable and documented fees and expenses of not more than one (1) counsel for such Indemnified Person or Indemnified Party to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the Indemnified Person or Indemnified Party and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnified Person or Indemnified Party and any other party represented by such counsel in such proceeding. The Indemnified Party or Indemnified Person shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Party or Indemnified Person which relates to such action or claim. The indemnifying party shall keep the Indemnified Party or Indemnified Person fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent; provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnified Party or Indemnified Person, which consent shall not be unreasonably withheld, conditioned or delayed, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party or Indemnified Person of a release from all liability in respect to such claim or litigation. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Party or Indemnified Person with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person or Indemnified Party under this Section 6, except to the extent that the indemnifying party is prejudiced in its ability to defend such action.

(d) The indemnification required by this Section 6 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

(e) The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the Indemnified Party or Indemnified Person against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

7. CONTRIBUTION.

To the extent any indemnification by an indemnifying party is prohibited or limited by law, the indemnifying party agrees to make the maximum contribution with respect to any amounts for which it would otherwise be liable under Section 6 to the fullest extent permitted by law; provided, however, that: (i) no seller of Registrable Securities guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any seller of Registrable Securities who was not guilty of fraudulent misrepresentation; (ii) contribution by any seller of Registrable Securities shall be limited in amount to the net amount of proceeds received by such seller from the sale of such Registrable Securities; and (iii) no contribution shall be made under circumstances where the maker would not have been eligible for indemnification under the fault standards set forth in Section 6 of this Agreement.

8. REPORTS UNDER THE EXCHANGE ACT.

With a view to making available to the Investor the benefits of Rule 144 promulgated under the Securities Act or any similar rule or regulation of the SEC that may at any time permit the Investor to sell securities of the Company to the public without registration, and as a material inducement to the Investor's purchase of the Shares the Company represents, warrants, and covenants to the following:

(a) The Company is subject to the reporting requirements of section 13 or 15(d) of the Exchange Act and has filed all required reports under section 13 or 15(d) of the Exchange Act during the 12 months prior to the date hereof (or for such shorter period that the issuer was required to file such reports), other than Form 6-K reports.

(b) During the Registration Period, the Company shall use its reasonable best efforts to file with the SEC in a timely manner all required reports under section 13 or 15(d) of the Exchange Act (it being understood that nothing herein shall limit the Company's obligations under the Purchase Agreement) and such reports shall conform to the requirement in all material respects of the Exchange Act and the SEC for filing thereunder.

(c) The Company shall furnish to the Investor so long as such Investor owns Registrable Securities, promptly upon request, (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144, (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested to permit the Investor to sell such securities pursuant to Rule 144 without registration. For the avoidance of doubt, any filing available to the Investor via the SEC's live EDGAR system shall be deemed "furnished to the Investor" hereunder.

9. AMENDMENT OF REGISTRATION RIGHTS.

Provisions of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Company and the Investor. Any amendment or waiver effected in accordance with this Section 9 shall be binding upon each of the Investor and the Company.

10. MISCELLANEOUS.

(a) A Person is deemed to be a holder of Registrable Securities whenever such Person owns or is deemed to own of record such Registrable Securities or owns the right to receive the Registrable Securities. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company shall act upon the basis of instructions, notice or election received from the registered owner of such Registrable Securities.

(b) The Company shall not include any other securities on a Registration Statement which includes Registrable Securities unless otherwise agreed by the Investor (such agreement not to be unreasonably withheld, conditioned or delayed); provided, that this Section shall not restrict the Company from including securities offered for its own account or by other selling securityholders entitled to registration rights, so long as the Registrable Securities are included and prioritized as provided in Section 2(i).

(c) Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered pursuant to the notice provisions of the Purchase Agreement or to such other address and/or electronic mail address and/or to the attention of such other person as the recipient party has specified by written notice given to each other party five days prior to the effectiveness of such change. Written confirmation of receipt (A) given by the recipient of such notice, consent, waiver or other communication, (B) electronically generated by the sender's email service provider containing the time, date, and recipient email or (C) provided by a courier or overnight courier service shall be rebuttable evidence of personal service, receipt by email or receipt from a nationally recognized overnight delivery service in accordance with this section.

(d) Failure of any party to exercise any right or remedy under this Agreement or otherwise, or delay by a party in exercising such right or remedy, shall not operate as a waiver thereof.

(e) The laws of the State of New York shall govern all issues concerning the relative rights of the Company and the Investor as its stockholder. All other questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by the internal laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of New York. Each party hereby irrevocably submits to the non-exclusive jurisdiction of the Supreme Court of the State of New York, sitting in New York County, New York and federal courts for the Southern District of New York sitting New York, New York, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof to such party at the address for such notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR THE ADJUDICATION OF ANY DISPUTE HEREUNDER OR IN CONNECTION HEREWITH OR ARISING OUT OF THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREBY.

(f) This Agreement shall inure to the benefit of and be binding upon the permitted successors and assigns of each of the parties hereto.

(g) The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(h) This Agreement may be executed in identical counterparts, both of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. Facsimile or other electronically scanned and delivered signatures (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com), including by e-mail attachment, shall be deemed to have been duly and validly delivered and be valid and effective for all purposes of this Agreement.

(i) Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(j) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent and no rules of strict construction will be applied against any party.

(k) This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person.

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IN WITNESS WHEREOF, the parties have caused this Registration Rights Agreement to be duly executed as of the date first written above.

COMPANY:

POLAR POWER, INC.

By: /s/ Arthur D. Sams
Name: Arthur D. Sams
Title: Chief Executive Officer

[Company Signature Page to Registration Rights Agreement]

INVESTOR:

LU2 Holdings LLC

By: /s/ Lucinda Lefkowitz
Name: Lucinda Lefkowitz
Title: Managing Member

Exhibit 10.16

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "Agreement") is entered into and effective as of October 19, 2026 (the "Execution Date"), by and between Polar Power, Inc., a Delaware corporation (the "Company") and LU2 Holdings LLC, a New Jersey limited liability company (including its designees, successors and assigns, the "Purchaser").

RECITALS

A. The parties desire that, upon the terms and subject to the conditions contained herein, the Company shall issue to Purchaser, and Purchaser shall purchase from the Company, from time to time as provided herein, up to $278,000 in stated value of Series A Convertible Preferred Stock (the "Preferred Shares") at a purchase price of 90% of such stated value, with each such Preferred Share having a stated value of $1,000 per share (the "Stated Value") and certain common stock purchase warrants (the "Warrants") entitling the Purchaser to purchase shares of Common Stock (as defined herein); and

B. The offer and sale of the Preferred Shares and Warrants provided for herein is being made without registration under the Securities Act, in reliance upon the provisions of Section 4(a)(2) of the Securities Act and such other exemptions from the registration requirements of the Securities Act as may be available with respect to any or all of the purchases of Preferred Shares and Warrants to be made hereunder.

AGREEMENT

In consideration of the premises, the mutual provisions of this Agreement, and other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, Company and Purchaser agree as follows:

ARTICLE I
DEFINITIONS

In addition to the terms defined elsewhere in this Agreement, the following terms have the meanings indicated in this ARTICLE I:

"Action" shall have the meaning ascribed to such term in Section 3.1(r).

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with a Person, as such terms are used in and construed under Rule 144 under the Securities Act. With respect to Purchaser, without limitation, any Person owning, owned by, or under common ownership with Purchaser, and any investment fund or managed account that is managed on a discretionary basis by the same investment manager as Purchaser will be deemed to be an Affiliate.

"Agreement" means this Securities Purchase Agreement including the exhibits and schedules hereto.

"Beneficial Ownership Limitation" means 9.99% of the outstanding Common Stock, as determined in accordance with Section 13(d) of the Exchange Act, which limitation shall apply to all conversions of Preferred Shares and exercises of Warrants, as may be adjusted herein.

"Board of Directors" means the board of directors of the Company.

"Certificate of Incorporation" means the Certificate of Incorporation of the Company, as amended from time to time.

"Closing" means the Closing of the purchase and sale of the Preferred Shares as described in Section 2.3(a) hereof.

"Closing Date" means the date on which the Closing occurs.

"COD" means the Certificate of Designations of Rights and Preferences of the Preferred Shares in the form attached hereto as Exhibit A.

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

"Common Stock" means the Common Stock, par value $0.0001 per share, of the Company, and any other shares of stock issued or issuable with respect thereto (whether by way of a stock dividend or stock split or in exchange for or upon conversion of such shares or otherwise in connection with a combination of shares, distribution, recapitalization, merger, consolidation, other corporate reorganization or other similar event with respect to the Common Stock).

"Common Stock Equivalents" means any securities of the Company or any of its Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including, without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Contingent Obligation" means, as to any Person, any direct or indirect liability, contingent or otherwise, of that Person with respect to any indebtedness, lease, dividend or other obligation of another Person if the primary purpose or intent of the Person incurring such liability, or the primary effect thereof, is to provide assurance to the obligee of such liability that such liability will be paid or discharged, or that any agreements relating thereto will be complied with, or that the holders of such liability will be protected (in whole or in part) against loss with respect thereto.

"Contracts" means any and all contracts, agreements, commitment, franchises, understandings, arrangements, leases, licenses, registrations, authorizations, easements, servitudes, rights of way, mortgages, bonds, notes, guaranties, Encumbrances, evidence of indebtedness, approvals or other instruments or undertakings to which such person is a party or to which or by which such person or the property of such person is subject or bound, whether written or oral and whether or not entered into in the ordinary and usual course of the Person's business, excluding any Permits, provided that each such Contract shall provide for the payment of no less than $50,000.

"Conversion Shares" means the shares of Common Stock into which the Preferred Shares are convertible in accordance with the COD.

"Disclosure Schedules" means the disclosure schedules of the Company delivered concurrently herewith, attached hereto, and incorporated herein by reference. The Disclosure Schedules shall contain no material non- public information.

"Disqualification Event" shall have the meaning ascribed to such term in Section 3.1(y).

"DTC" means The Depository Trust Company, or any successor performing substantially the same function for Company.

"Encumbrances" means any security or other property interest or right, claim, lien, mortgage, pledge, option, charge, security interest, contingent or conditional sale, or other title claim or retention agreement, interest or other right or claim of third parties, whether perfected or not perfected, voluntarily incurred or arising by operation of law, and including any agreement (other than this Agreement) to grant or submit to any of the foregoing in the future.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Cap" shall mean that number of shares of Common Stock or Common Stock Equivalents pursuant to this Agreement and the other Transaction Documents to the extent that after giving effect thereto, the aggregate number of shares of Common Stock that would be issued as well as permitted to vote or be converted pursuant to this Agreement and such Transaction Documents would not exceed 19.99% of the Company's outstanding shares of Common Stock as of the date hereof.

"Exempt Issuance" means the issuance of (a) Common Stock or options or other equity awards to employees, officers, consultants, or directors of the Company, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, in any case including the independent directors of the Company, (b) securities in full or partial consideration in connection with a bona fide strategic merger, acquisition, consolidation or purchase of all or substantially all of the securities or assets of a corporation or other entity, so long as such issuance is not for the primary purpose of raising capital by the Company; (c) securities in connection with a bona fide strategic license agreement, sponsored research agreement, collaboration agreement, development agreement, marketing or distribution agreement, or other bona fide partnering arrangement, so long as such issuance is not for the primary purpose of raising capital by the Company, (d) securities issued upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into Common Stock issued and outstanding on the date of this Agreement, provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with share splits or combinations) or to extend the term of such securities, and (e) 1 shares of Common Stock or Common Stock Equivalents issuable as set forth on Schedule I hereto.

"Existing Debt" means indebtedness existing under the following facilities: (a) the Loan and Security Agreement between the Company and Pinnacle Bank, dated September 30, 2020, as amended; (b) the Loan Agreement between the Company and WWCM, dated December 23, 2025; (c) certain notes payable between the Company and its Chief Executive Officer, as disclosed in the Company's quarterly report on 10-Q for the period ended March 31, 2026; (d) an additional note payable created between the Company and its Chief Executive Officer after the Company's quarterly report on Form 10-Q for the period ended March 31, 2026; (e) the Convertible Redeemable Notes issued by the Company to CFI Capital LLC and Monroe Street Capital Partners, LP on May 21, 2026, and (f) the Convertible Promissory Note issued by the Company to Mayers Ventures LLC on June 30, 2026.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"FINRA" means the Financial Industry Regulatory Authority, Inc.

"Floor Price" has the meaning set forth in the COD.

"Fundamental Transaction" has the meaning set forth in the Warrants.

"GAAP" means United States generally accepted accounting principles applied on a consistent basis during the periods involved.

"Governmental Authority" means any nation or country (including but not limited to the United States) and any commonwealth, territory or possession thereof and any government or governmental or regulatory, legislative, executive authority thereof, or commission, department or political subdivision thereof, whether federal, state, regional, municipal, local or foreign, or any department, board, bureau, agency, instrumentality or authority thereof, or any court or arbitrator (public or private), including, but not limited to, the SEC and FINRA.

"Indebtedness" shall have the meaning ascribed to such term in Section 3.1(v).

"Intellectual Property Rights" shall have the meaning ascribed to such term in Section 3.1(dd)(i).

"Issuable Shares" means the- Conversion Shares and the Warrant Shares.

"Issuer Covered Person" shall have the meaning ascribed to such term in Section 3.1(y).

"Knowledge" means, with respect to any Person, (x) such Person is actually aware of such fact or matter or (y) such Person should reasonably have been expected to discover or otherwise become aware of such fact or matter after reasonable investigation, and for purposes hereof it shall be assumed that such Person has conducted a reasonable investigation of the accuracy of the representations and warranties set forth herein.

"Legal Requirement" means any federal, state, local, municipal, foreign, multi-national or other law, common law, statute, constitutions, ordinances, rules, regulations, codes, Orders, or legally enforceable requirements enacted, issued, adopted, promulgated, enforced, ordered, or applied by any Governmental Authority.

"Legend Removal Date" shall have the meaning ascribed to such term in Section 4.1(c).

"Liability" means any liability, obligation or indebtedness of whatever kind or nature (whether known or unknown, whether asserted or unasserted, whether absolute or contingent, whether accrued or unaccrued, whether liquidated or unliquidated, and whether due or to become due), including any liability for Taxes.

"Liens" means any security or other property interest or right, claim, lien, pledge, option, charge, security interest, contingent or conditional sale, or other title claim or retention agreement, interest or other right or claim of third parties, whether perfected or not perfected, voluntarily incurred or arising by operation of law, and including any agreement (other than this Agreement) to grant or submit to any of the foregoing in the future.

"Loss" or "Losses" means any and all Liability, damages, fines, fees, penalties and expenses whether or not arising out of litigation, including without limitation, interest, reasonable expenses of investigation, court costs, reasonable out-of-pocket fees and expenses of attorneys, accountants and other experts or other reasonable out-of-pocket expenses of litigation or other legal proceedings, incurred in connection with the rightful enforcement of rights under this Agreement against any party hereto, and whether or not arising out of third party claims against an indemnified party.

"Material Adverse Effect" means any material adverse effect on (i) the legality, validity or enforceability of any Transaction Document, (ii) the results of operations, assets, business, prospects or financial condition of the Company and the Subsidiaries, taken as a whole, or (iii) the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document.

"Material Agreement" means any material loan agreement, financing agreement, equity investment agreement or securities instrument to which Company is a party, any agreement or instrument to which Company and Purchaser or any Affiliate of the Purchaser is a party, and any other material agreement listed, or required to be listed, on any of Company's reports filed or required to be filed with the SEC, including without limitation Forms 10-K, 10-Q and 8-K.

"Maximum Investment" means $250,000.00

"Money Laundering Laws" shall have the meaning ascribed to such term in Section 3.1(gg).

"OFAC" shall have the meaning ascribed to such term in Section 3.1(ff).

"Order" means any order, writ, assessment, decision, injunction, decree, ruling, or judgment of a Governmental Entity or arbitrator, whether temporary, preliminary, or permanent.

"Officer's Certificate" has the meaning set forth in the Section 2.3(b)(i) hereof.

"Permits" means any and all permits, rights, approvals, licenses, authorizations, legal status, orders or Contracts under any Legal Requirement or otherwise granted by any Governmental Authority.

"Permitted Liens" means the individual and collective reference to the following: (a) Liens for Taxes, assessments and other governmental charges or levies not yet due or Liens for Taxes, assessments and other governmental charges or levies being contested in good faith and by appropriate proceedings for which adequate reserves (in the good faith judgment of the management of the Company) have been established in accordance with GAAP; (b) Liens imposed by law which were incurred in the ordinary course of the Company's business, such as carriers', warehousemen's and mechanics' Liens, statutory landlords' Liens, and other similar Liens arising in the ordinary course of the Company's business, and which (x) do not individually or in the aggregate materially detract from the value of such property or assets or materially impair the use thereof in the operation of the business of the Company and its consolidated Subsidiaries or (y) are being contested in good faith by appropriate proceedings, which proceedings have the effect of preventing for the foreseeable future the forfeiture or sale of the property or asset subject to such Lien; (c) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations; and (d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature that are not past due, in each case in the ordinary course of business, but excluding any contract for the payment of money.

"Person" means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Preferred Shares" has the meaning set forth in the recitals hereto.

"Principal Market" means the NASDAQ Capital Market.

"Principal Market Rules" means the rules and regulations of the Principal Market.

"Properties" means any and all properties and assets (real, personal or mixed, tangible or intangible) owned or used by the Company.

"Purchase Price" means $250,000, representing 90% of the $278,000 aggregate Stated Value.

"Registrable Securities" has the meaning set forth in the Registration Rights Agreement.

"Registration Rights Agreement" means that certain Registration Rights Agreement, between the Company and the Purchaser, dated as of the date hereof, in the form attached hereto as Exhibit B.

"Registration Statement" has the meaning set forth in the Registration Rights Agreement.

"Required Approvals" means the Stockholder Approval and any other approvals that may be required hereunder.

"Required Minimum" means, as of any date, 200% of the maximum aggregate of a sufficient number of shares of Common Stock then issued or potentially issuable in the future pursuant to any outstanding Preferred Shares (assuming for such purpose that the Preferred Shares are convertible at the Floor Price then in effect) or Warrants, ignoring any conversion or exercise limits set forth therein.

"Restricted Period" means the period commencing on the Execution Date and ending on the earlier of (a) the date that no Preferred Shares or Warrants are held by the Purchaser and (b) two years after the Execution Date.

"Rule 144" means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect.

"SEC" means the United States Securities and Exchange Commission.

"SEC Documents" has the meaning set forth in Section 3.1(g).

"Secretary's Certificate" has the meaning set forth in Section 2.3(b)(ii) hereof.

"Securities" means the Issuable Shares and the Warrants.

"Securities Act" means the Securities Act of 1933, as amended.

"Series A Preferred Stock" means shares of Series A Convertible Preferred Stock, $0.0001 par value per share, issuable pursuant to the COD.

"Short Sales" means all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock).

"Stated Value" has the meaning set forth in the recitals hereto.

"Stockholder Approval" means such approval as may be required by the applicable rules and regulations of the Principal Market Rules (or the applicable rules and regulations of any successor entity) from the stockholders of the Company with respect to the transactions contemplated by this Agreement and the other Transaction Documents, including the issuance of all of the Issuable Shares in excess of 19.99% of the issued and outstanding Common Stock as of the date hereof.

"Subscription Amount" means, as to the Purchaser, the aggregate amount to be paid for the Preferred Shares and the Warrants purchased hereunder as specified below the Purchaser's name on the signature page of this Agreement and next to the heading "Subscription Amount," in United States dollars and in immediately available funds.

"Subsidiary" means any Person the Company owns or controls, or in which the Company, directly or indirectly, owns a majority of the capital stock or similar interest that would be disclosable pursuant to Regulation S- K, Item 601(b)(21).

"Tax" means any and all taxes, charges, fees, levies or other assessments, including, without limitation, local and/or foreign income, net worth, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, share capital, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, service, service use, transfer, registration, recording, ad-valorem, value-added, alternative or add-on minimum, estimated, or other taxes, assessments or charges of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

"Tax Return" means any federal, state, local and foreign tax return, report or similar statement required to be filed with respect to any Tax (including any attached schedules), including, without limitation, any information return, claim for refund, amended return or declaration of estimated Tax.

"Taxing Authority" means the Internal Revenue Service and any other Governmental Authority responsible for the administration of any Tax.

"Termination Date" shall mean the date that is two years after the Execution Date.

"Trading Day" means any day on which the Common Stock is traded on the Trading Market; provided that it shall not include any day on which the Common Stock is (a) scheduled to trade for less than 5 hours, or (b) suspended from trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the NASDAQ Capital Market, the NASDAQ Global Market, the NASDAQ Global Select Market, the New York Stock Exchange, OTCQB, OTCQX, or the OTC Pink (or any successors to any of the foregoing). Notwithstanding the foregoing, term "Trading Market" shall only include the OTC Pink for any interim period of time required upon the Company's delisting from any other Trading Market provided that the Company shall be required to list its Common Stock for trading or quotation on another Trading Market (excluding the OTC Pink) promptly upon such delisting and the failure to do so shall constitute a default under the terms of this Agreement and the other Transaction Documents.

"Transaction Documents" means this Agreement, the COD, the Warrants, the Registration Rights Agreement, the Transfer Agent Instruction Letter and the other agreements and documents referenced herein, and the exhibits and schedules hereto and thereto.

"Transfer Agent" means VStock Transfer, LLC, with a mailing address of 18 Lafayette Place, Woodmere, NY 11598, the current transfer agent of the Company and any successor transfer agent of the Company.

"Transfer Agent Instruction Letter" means the letter from the Company to the Transfer Agent which instructs the Transfer Agent to reserve the Issuable Shares pursuant to the Transaction Documents in the form attached hereto as Exhibit D in the Required Minimum.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:00 p.m. (New York City time)), (b) if the Common Stock is not then listed or quoted for trading on a Trading Market and if prices for the Common Stock are then reported on the OTC Pink Marketplace maintained by OTC Markets Group Inc. (or a similar organization or agency succeeding to its functions of reporting prices), the most recent closing price per share of the Common Stock so reported, or (c) in all other cases, the fair market value of a share of Common Stock as determined by an independent appraiser selected in good faith by the Purchaser of a majority in interest of the Securities then outstanding and reasonably acceptable to the Company, the fees and expenses of which shall be paid by the Company.

"Warrant" and "Warrants" mean that certain Warrant between the Company and the Purchaser, dated as of the date hereof, in the form attached hereto as Exhibit C.

"Warrant Shares" means the shares of Common Stock into which the Warrants are exercisable in accordance with the terms of each respective Warrant.

ARTICLE II
PURCHASE AND SALE

2.1 Agreement to Purchase. Subject to the terms and conditions herein and the satisfaction of the conditions to closing set forth in this ARTICLE II, The Company has authorized and designated 25,000 shares of Series A Convertible Preferred Stock pursuant to the Certificate of Designation, of which 278 shares are being issued and sold to the Purchaser pursuant to this Agreement (with the specific number of shares set forth on the signature pages hereto), with the balance remaining authorized but unissued. The Company hereby agrees to issue to the Purchaser and the Purchaser hereby agrees to purchase from the Company, an aggregate of 278 Preferred Shares in accordance with Section 2.3 below and, in consideration for the Preferred Shares, the Purchaser agrees to furnish to the Company at the Closing the Purchase Price, provided that, in the aggregate, the Purchaser shall not pay more than the Maximum Investment.

2.2 Warrants to be Issued to Purchaser: At the Closing, for no additional consideration, Purchaser shall be issued a Warrant to purchase shares of Common Stock in amount equal to the applicable Warrant Share Amount. Each Warrant shall initially have an exercise price per share equal to the closing price of the Common Stock on the Trading Day immediately prior to Closing, subject to adjustment as provided therein (the "Exercise Price").

2.3 Closing; Conditions to Closing; Mechanics of Closing.

(a) Closing. The purchase of the Preferred Shares hereunder shall occur in a single closing, which shall take place on such date as is agreed between the Company and the Purchaser and which is no later than the tenth Trading Day following the date on which the Registration Statement is declared effective by the SEC, provided that the conditions set forth in Section 2.3(b), Section 2.3(c), and Section 2.3(g) have been satisfied or waived. The date on which the Closing occurs is referred to herein as the "Closing Date."

(b) Purchaser Conditions to Closing. The obligations of the Purchaser hereunder in connection with the Closing, and are subject to the following conditions being satisfied or waived:

(i) each and every representation and warranty of the Company shall be true and correct as of the date when made and as of the Closing Date as though originally made at that time (except for representations and warranties that speak as of a specific date, which shall be true and correct as of such date) and the Company shall have performed, satisfied and complied in all respects with the covenants, agreements and conditions required to be performed, satisfied or complied with by the Company at or prior to the Closing Date, including, without limitation the issuance of all Securities prior to the date of such Closing as required by this Section 2.3 and the Transaction Documents and the Company has a sufficient number of duly authorized shares of Preferred Stock and Conversion Shares reserved for issuance as may be required to fulfill its obligations pursuant to the Transaction Documents and Purchaser shall have received a certificate, executed by the Chief Executive Officer of the Company, dated as of the Closing Date, to the foregoing effect (the "Officer's Certificate");

(ii) the Company shall have delivered to Purchaser a certificate, in the form previously provided to the Company by the Purchaser, executed by the Secretary of the Company and dated as of the Closing Date, as to (A) the resolutions as adopted by the Board of Directors authorizing the entering into the Transaction Documents and the transactions envisioned thereby, which resolutions shall have remained in full force and effect, (B) the Certificate of Incorporation of the Company (reflecting the filed Certificate) and (C) the Bylaws of the Company as in effect at the Closing (the "Secretary's Certificate");

(iii) the Company shall have delivered to Purchaser a certificate evidencing the formation and good standing of the Company in its jurisdiction of formation issued by the Secretary of State of such jurisdiction of formation as of a date within ten days of the Closing Date;

(iv) as of the Closing Date, as applicable, trading in the Common Stock shall be listed or quoted for trading on the Principal Market and shall not have been suspended by the SEC or the Principal Market, and trading in securities generally as reported by Bloomberg L.P. shall not have been suspended or limited, or minimum prices shall not have been established on securities whose trades are reported by such service, or on any Trading Market, nor shall a banking moratorium have been declared either by the United States or New York State authorities nor shall there have occurred any material outbreak or escalation of hostilities or other national or international calamity that has resulted in, and is continuing as of the Closing Date, (A) a suspension or material limitation of trading on the Principal Market or securities market generally, or (B) a Material Adverse Effect on the Company;

(v) neither the Company nor any Significant Subsidiary, as such term is defined in Rule 1-02(w) of Regulation S-X for purposes of this definition, shall have suffered a Material Adverse Effect;

(vi) no action, proceeding, investigation or inquiry by the SEC, Nasdaq or any other Governmental Authority shall be pending or, to the Company's Knowledge, threatened in writing against the Company or any Significant Subsidiary, that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect or prohibit, materially delay or materially impair the issuance or purchase of the Preferred Shares and Warrants at such Closing;

(vii) as of the Closing Date, the Company shall be in good standing with The Nasdaq Stock Market (or any other Principal Market on which the Common Stock is then listed), other than with respect to the stockholders' equity deficiency under Nasdaq Listing Rule 5550(b)(1) existing as of the Execution Date; and

(viii) each other condition to the Purchaser's obligation to consummate the Closing that is expressly set forth in this Agreement or the other Transaction Documents and required by its terms to be satisfied at or prior to the Closing shall have been satisfied or waived in writing by the Purchaser.

(c) Company Conditions to Closing. The obligations of the Company hereunder in connection with each Closing are subject to the following conditions being satisfied or waived:

(i) the accuracy in all material respects as of the Closing Date of the representations and warranties of the Purchaser contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Purchaser required by this Agreement to be performed at or prior to the Closing Date shall have been performed; and

(iii) the delivery by the Purchaser of the Purchaser Closing Documents.

(d) Documents to be Delivered at the Closing by the Company. The Closing shall be conditioned upon the delivery by the Company to Purchaser of each of the following (the "Company Initial Closing Documents") on or before the Closing Date:

(i) this Agreement duly executed by the Company;

(ii) certificates evidencing the number of Preferred Shares purchased in the Closing shall have been delivered to Purchaser;

(iii) a Warrant, duly executed by the Company, consistent with the requirements of Section 2.2;

(iv) the Registration Rights Agreement, duly executed by the Company;

(v) the Voting Agreement;

(vi) the Lock-Up Agreement;

(vii) the Officer's Certificate, executed by an officer of the Company;

(viii) the Secretary's Certificate, executed by the Corporate Secretary of the Company;

(ix) a Certificate of Good Standing of the Company from the Secretary of State of the State of Delaware;

(x) the Transfer Agent Instruction Letter shall have been delivered to the Transfer Agent;

(xi) an opinion of counsel to the Company in a form acceptable to the Purchaser in its sole discretion;

(xii) the written confirmation by the Company to the Purchaser that the applicable Required Approvals, if any have been obtained; and

(xiii) all documents, instruments and other writings required to be delivered by the Company to Purchaser on or before the Closing Date pursuant to any provision of this Agreement or in order to implement and effect the transactions contemplated herein.

(e) Documents to be Delivered at the Closing Date by the Purchaser. The Closing Date shall be conditioned upon the delivery, unless otherwise provided below, by Purchaser to the Company of each of the following (the "Purchaser Closing Documents") on or before the Closing Date:

(i) this Agreement, duly executed by the Purchaser;

(ii) the Registration Rights Agreement, duly executed by the Purchaser; and

(iii) such Investor's Selling Stockholder Questionnaire set forth hereto.

(f) Mechanics of Closing. Subject to such conditions set forth in this Agreement, the Closing shall occur by 5:00 p.m. Eastern time, on the date provided for in Section 2.3(a) at the offices of the Company. On or before the Closing Date, the Purchaser shall deliver to the Company the applicable Subscription Amount, with any cash portion to be delivered in cash or immediately available funds as consideration for the purchase of the Preferred Shares pursuant to wire instructions delivered to the Purchaser by the Company, and the applicable Purchaser Closing Documents. The Company shall deliver to the Purchaser all Company Closing Documents on or before the Closing Date.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth under the corresponding section of the Disclosure Schedules, which shall be deemed a part hereof and which shall not contain any material non-public information, the Company hereby represents and warrants to, and as applicable covenants with, the Purchaser as of the date hereof:

(a) Organization and Qualification. The Company and each of the direct and indirect subsidiaries of the Company listed on Schedule 3.1(a) (the "Subsidiaries") is an entity duly organized, validly existing and in good standing under the laws of its state of incorporation or formation. The Company and each of its Subsidiaries is duly qualified to do business, and is in good standing in the states required due to (i) the ownership or lease of real or personal property for use in the operation of the Company's business or (ii) the nature of the business conducted by the Company, except where the failure to so qualify would not, individually or in the aggregate, have a Material Adverse Effect. The Company and each of its Subsidiaries has all requisite power, right and authority to own, operate and lease its properties and assets, to carry on its business as now conducted, to execute, deliver and perform its obligations under this Agreement and the other Transaction Documents to which it is a party, and to carry out the transactions contemplated hereby and thereby, subject to the Required Approvals. All actions on the part of the Company and its officers and directors necessary for the authorization, execution, delivery and performance of this Agreement and the other Transaction Documents, the consummation of the transactions contemplated hereby and thereby, and the performance of all of the Company's obligations under this Agreement and the other Transaction Documents have been taken or will be taken prior to the Closing. This Agreement has been, and the other Transaction Documents to which the Company is a party on the Closing will be, duly executed and delivered by the Company, and this Agreement is, and each of the other Transaction Documents to which it is a party on the Closing will be, a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, reorganization, insolvency, moratorium and similar laws of general application relating to or affecting the enforcement of rights of creditors, and except as enforceability of the obligations hereunder are subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or law). All of the Subsidiaries and the Company's ownership interests therein are set forth on Schedule 3.1(a). The Company owns, directly or indirectly, all of the capital stock or other equity interests of each Subsidiary free and clear of any Liens except Permitted Liens, and subject to the Required Approvals, and all of the issued and outstanding shares of capital stock of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights to subscribe for or purchase securities.

(b) Authority. The Company has the requisite power and authority to enter into and perform its obligations under this Agreement and each of the other Transaction Documents and to issue the Securities in accordance with the terms hereof and thereof. The execution and delivery of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby, including, without limitation, the issuance of the Securities, have been duly authorized by the Board of Directors and no further filing (other than a Form D with the SEC and any other filings as may be required by any state securities agencies, a Form 8-K and the applicable Stockholder Approval and application regarding the listing of additional shares), consent, or authorization is required by the Company, the Board of Directors or the Company's stockholders. This Agreement and the other Transaction Documents have been duly executed and delivered by the Company, and constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies and except as rights to indemnification and to contribution may be limited by federal or state securities laws.

(c) Capitalization. The capitalization of the Company is as set forth on Schedule 3.1(c). Upon the filing of the COD with the Secretary of State of the Company's jurisdiction of incorporation, with respect to payment of dividends and distribution of assets upon liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, all Preferred Shares will rank: (i) senior to all of the Company's Common Stock and all other existing capital stock of the Company. As of the date hereof, the Company has reserved from its duly authorized capital stock 27,340,890 shares of Common Stock for issuance as Conversion Shares and for issuance of the Warrant Shares. All of such outstanding shares are duly authorized and have been, or upon issuance will be, validly issued and are fully paid and nonassessable. Except as disclosed in SEC Documents and/or in Schedule 3.1(c), hereof: (i) none of the Company's or any Subsidiary's share capital is subject to preemptive rights or any other similar rights or any liens or Encumbrances suffered or permitted by the Company or any subsidiary; (ii) other than as described in the SEC Documents, there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any share capital of the Company or any of its subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to issue additional share capital of the Company or any of its subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, or exercisable or exchangeable for, any share capital of the Company or any of its subsidiaries; (iii) except for the Existing Debt and all other debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments, there are no outstanding debt securities, notes, credit agreements, credit facilities or other agreements, documents or instruments evidencing indebtedness of the Company or any of its subsidiaries or by which the Company or any of its subsidiaries is or may become bound; (iv) other than with respect to the current indebtedness of the Company or any of its subsidiaries, there are no financing statements securing obligations in any amounts filed in connection with the Company or any of its subsidiaries; (v) there are no agreements or arrangements under which the Company or any of its subsidiaries is obligated to register the sale of any of their securities under the Securities Act, except as listed on Schedule 3.1(c); (vi) there are no outstanding securities or instruments of the Company or any of its subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to redeem a security of the Company or any of its subsidiaries; (vii) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Securities; (viii) neither the Company nor any Subsidiary has any stock appreciation rights or "phantom stock" plans or agreements or any similar plan or agreement; and (ix) neither the Company nor any of its Subsidiaries has any liabilities or obligations required to be disclosed in the SEC Documents which are not so disclosed in the SEC Documents, other than those incurred in the ordinary course of the Company's or its subsidiaries' respective businesses and which, individually or in the aggregate, do not or could not reasonably be expected to have a Material Adverse Effect.

(d) Consents. Neither the Company nor any of its Subsidiaries is required to obtain any consent from, authorization or order of, or make any filing (other than a Form 8-K, Stockholder Approval, the Registration Rights Agreement and the applicable notification regarding the listing of additional shares) or registration with, any court, governmental agency or any regulatory or self-regulatory agency or any other Person in order for it to execute, deliver or perform any of its respective obligations under or contemplated by the Transaction Documents, in each case, in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings (other than a Form 8-K and the applicable notification regarding the listing of additional shares) and registrations which the Company or any of its subsidiaries is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the Closing Date and neither the Company nor any of its Subsidiaries is aware of any facts or circumstances which might prevent the Company or any of its subsidiaries from obtaining or effecting any of the registration, application or filings contemplated by the Transaction Documents. As of the date of this Agreement, other than as disclosed in the SEC Documents, the Company is not in violation of the requirements of the Principal Market and has no knowledge of any facts or circumstances which could reasonably lead to delisting or suspension of the Common Stock in the foreseeable future.

(e) Conflicts; Non-Contravention; No Violations. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby will not (A) result in a violation of the Certificate of Incorporation (as defined above) or other organizational documents of the Company or any of its Subsidiaries, any share capital of the Company or any of its subsidiaries or Bylaws (as defined above) of the Company or any of its Subsidiaries, (B) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its subsidiaries is a party, or (C) result in a violation of any law, rule, regulation, order, judgment or decree, including foreign, federal and state securities laws and regulations and the rules and regulations of the Principal Market applicable to the Company or any of its subsidiaries or by which any property or asset of the Company or any of its subsidiaries is bound or affected except, in the case of clause (B) or (C) above, to the extent such violations that could not reasonably be expected to have a Material Adverse Effect.

(f) Taxes Related to the Securities. On each date the Company issues Securities to the Purchaser, all share transfer or other taxes (other than income or similar taxes) which are required to be paid in connection with the issuance of the Securities hereunder on such date will be, or will have been, fully paid or provided for by the Company, and all laws imposing such taxes will be or will have been complied with.

(g) SEC Documents; Financial Statements. The Company has, during the preceding 12 months, filed with the SEC all reports and other materials required to be filed by Section 13 or 15(d) of the Exchange Act, as applicable (all of the foregoing filed prior to the date hereof and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the "SEC Documents"). As of their respective dates, the SEC Documents complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto as in effect as of the time of filing. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such financial statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments which will not be material, either individually or in the aggregate). There is no event, pending event or threatened event that could result in the Company not filing with the SEC all reports and other materials required to be filed by Section 13 or 15(d) of the Exchange Act, as applicable, in compliance in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder applicable to such filings.

(h) No Material Non-Public Information. The Company confirms that neither it nor any other Person acting on its behalf has provided the Purchaser or its agents or counsel with any information that constitutes or could reasonably be expected to constitute material, non-public information concerning the Company or any of its subsidiaries, other than the existence of the transactions contemplated by this Agreement and the Transaction Documents. The Company understands and confirms that the Purchaser will rely on the foregoing representations in effecting transactions in securities of the Company. To the knowledge of the Company after reasonable inquiry, all disclosures provided to the Purchaser regarding the Company and its subsidiaries, their businesses and the transactions contemplated hereby, including the schedules to this Agreement, furnished by or on behalf of the Company or any of its subsidiaries is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(i) Valid Issuance of Issuable Shares. The issuance of each of the Preferred Shares, Conversion Shares and Warrant Shares are duly authorized and, upon issuance in accordance with the terms of this Agreement, the COD and the Warrant, as applicable, will be validly issued, fully paid and non-assessable and free and clear of all liens, Encumbrances and rights of refusal of any kind, subject to Stockholder Approval. The issuance of the Warrant is duly authorized by the Company and, when executed and delivered by the Company, will be a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

(j) Certain Fees. Except for fees payable by the Company for legal expenses, no brokerage or finder's fees or commissions are or will be payable by the Company or any of its subsidiaries to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other Person with respect to the transactions contemplated by the Transaction Documents. The Purchaser shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section that may be due in connection with the transactions contemplated by the Transaction Documents.

(k) Acknowledgement of Dilution. The Company acknowledges and agrees that (i) the issuance of the Issuable Shares pursuant to this Agreement may have a dilutive effect, which may be substantial, (ii) neither the Company nor any of the Company's Affiliates has or will provide the Purchaser with any material non-public information regarding the Company or its securities, and (iii) the Purchaser has no obligation of confidentiality to the Company and may sell any of its Issuable Shares issued pursuant to this Agreement at any time but subject to compliance with applicable laws and regulations.

(l) Status of the Purchaser. The Company acknowledges and agrees that with respect to this Agreement and the transactions contemplated hereby, (i) the Purchaser is acting solely in an arm's length capacity, (ii) the Purchaser does not make and has not made any representations or warranties, other than those specifically set forth in this Agreement, (iii) except as set forth in this Agreement, the Company's obligations hereunder are unconditional and absolute and not subject to any right of set off, counterclaim, delay or reduction, regardless of any claim the Company may have against the Purchaser, (iv) the Purchaser has not and is not acting as a legal, financial, accounting or tax advisor to the Company, or agent or fiduciary of the Company, or in any similar capacity, and (v) any statement made by the Purchaser or any of the Purchaser's representatives, agents or attorneys is not advice or a recommendation to the Company.

(m) Listing and Maintenance Requirements; Principal Market Regulation.

(i) The Common Stock is registered pursuant to Section 12(b) of the Exchange Act, and the Company has taken no action designed to, or which to its Knowledge is likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act nor has the Company received any notification that the SEC is contemplating terminating such registration. The Company's Common Stock is listed on the Principal Market, and no suspension of trading of the Company's Common Stock on the Principal Market is in effect. Except as disclosed in the SEC Documents, the Company has not, in the 12 months preceding the date hereof, received notice from any Principal Market on which the Common Stock is or has been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Principal Market, and the Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance with all such listing and maintenance requirements.

(ii) The Company shall not permit the Preferred Shares to have any conversion or voting rights, or issue any shares of Common Stock or Common Stock Equivalents pursuant to this Agreement or the other Transaction Documents, to the extent that, after giving effect thereto, the aggregate number of shares of Common Stock issued or issuable pursuant to this Agreement and the Transaction Documents would exceed the Exchange Cap, unless and until the Company has obtained Stockholder Approval in accordance with the applicable rules and regulations of the Principal Market. For the avoidance of doubt, the Preferred Shares shall be issued at the Closing in accordance with Section 2.3, and shall be convertible and shall have voting power upon issuance, except that such Preferred Shares shall not be convertible into, or carry voting power with respect to, shares of Common Stock (i) until receipt of Stockholder Approval, in excess of the Exchange Cap, and (ii) at any time, in excess of the Beneficial Ownership Limitation, in each case as and to the extent set forth in the COD.

(n) Shell Company Status. As of the last 12 months, the Company is not an issuer identified in, or subject to, Rule 144(i) under the Securities Act.

(o) DTC Eligibility. The Company, through its Transfer Agent, currently participates in the DTC Fast Automated Securities Transfer ("FAST") Program and utilizes DTC's Deposit/Withdrawal at Custodian ("DWAC") service, and the shares of Common Stock may be issued and transferred electronically to third parties via DTC's DWAC service. The Company has not, in the 12 months preceding the date of this Agreement, received any notice from DTC to the effect that a suspension of, or restriction on, accepting additional deposits of the shares of Common Stock, or electronic trading or settlement services with respect to the shares of Common Stock are being imposed or are contemplated by DTC.

(p) No Anti-Takeover Provisions. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, interested stockholder, business combination, or other similar antitakeover provision under the Certificate of Incorporation, Bylaws or other organizational documents of the Company, as currently in effect, or the laws of the jurisdiction of its incorporation or otherwise which is or could become applicable as a result of the transactions contemplated by this Agreement, including, without limitation, the Company's issuance of Securities hereunder and the Purchaser's ownership of such Securities, together with all other securities now or hereafter owned or acquired by the Purchaser. The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Issuable Shares or a change in control of the Company or any of its Subsidiaries. Until the earlier of the time that the Purchaser no longer beneficially owns any Issuable Shares, the Board of Directors shall not adopt any anti-takeover provision, including without limitation any stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of Common Stock, that would limit the ability of Purchaser to acquire or hold Issuable Shares in accordance with this Agreement, without the Purchaser's written consent.

(q) Blue Sky Matters. The Company shall take such action as the Purchaser shall reasonably determine is necessary in order to qualify the Securities issuable to the Purchaser hereunder under applicable securities or "blue sky" laws of the states of the United States for the issuance to the Purchaser hereunder and for resale by the Purchaser to the public (or to obtain an exemption from such qualification). Without limiting any other obligation of the Company hereunder, the Company shall timely make all filings and reports relating to the offer and issuance of such Securities required under all applicable securities laws (including, without limitation, all applicable federal securities laws and all applicable state securities or "blue sky" laws), and the Company shall comply with all applicable federal, state, local and foreign laws, statutes, rules, regulations and the like relating to the offering and issuance of such Securities to the Purchaser.

(r) Litigation. There is no action, suit, inquiry, notice of violation, proceeding or investigation pending or, to the Knowledge of the Company, threatened against or affecting the Company, any Subsidiary or any of their respective properties except as set forth in Schedule 3.1(r), or against or affecting the Company's current or former officers or directors in their capacity as such, before or by any court, arbitrator, governmental or administrative agency or regulatory authority (federal, state, county, local or foreign) (collectively, an "Action") which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Securities or (ii) could, if there were an unfavorable decision, have or reasonably be expected to result in a Material Adverse Effect, and neither the Company nor any Subsidiary, nor any director or officer thereof, is or has been the subject of any Action involving a claim of violation of or liability under federal or state securities laws or a claim of breach of fiduciary duty. There has not been, and to the Knowledge of the Company, there is not pending or contemplated, any investigation by the SEC involving the Company or any current or former director or officer of the Company that is likely to lead to action that can reasonably be expected to result in a Material Adverse Effect. There has not been, and to the Knowledge of the Company, there is not pending or contemplated, any investigation by the SEC involving the Company or any current or former director or officer of the Company. The SEC has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(s) No Defaults. Except as disclosed in SEC Documents and/or in Schedule 3.1(s) hereof, the Company is not in a default under, or has given to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any of its subsidiaries is a party.

(t) Employee Relations. Neither the Company nor any of its Subsidiaries is a party to any collective bargaining agreement or employs any member of a union. The Company believes that its and its Subsidiaries' relations with their respective employees are good. The Company and its Subsidiaries are in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except as disclosed in Schedule 3.1(t) or where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(u) Tax Matters.

(i) All Tax Returns required to be filed by or on behalf of the Company have been duly and timely filed with the appropriate Taxing Authority in all jurisdictions in which such Tax Returns are required to be filed (after giving effect to any valid extensions of time in which to make such filings), and all such Tax Returns are true, complete and correct in all material respects. All Taxes payable by or on behalf of the Company (whether or not shown on any Tax Return) have been fully and timely paid. With respect to any period for which Tax Returns have not yet been filed or for which Taxes are not yet due or owing, the Company has made due and sufficient accruals for such Taxes in the GAAP Financial Statements and in its books and records. All required estimated Tax payments sufficient to avoid any underpayment penalties or interest have been made by or on behalf of the Company. The Company has complied in all material respects with all applicable Legal Requirements relating to the payment and withholding of Taxes in connection with amounts paid or owing to any employee, independent contractor, creditor, equity owner or other third party and has duly and timely withheld and paid over to the appropriate Taxing Authority all amounts required to be so withheld and paid under all applicable Legal Requirements.

(ii) The Company has not (i) requested any extension of time within which to file any Tax Return, which Tax Return has since not been filed, (ii) granted any extension for the assessment or collection of Taxes, which Taxes have not since been paid, or (iii) granted to any Person any power of attorney that is currently in force with respect to any Tax matter. The Company is not a foreign person within the meaning of Sections 7701(a)(1) and 7701(a)(5) of the Code. The Company has never been a shareholder of any consolidated, combined, affiliated or unitary group of corporations for any Tax purposes. The Company is not a party to any Tax allocation or Tax sharing agreement nor has any liability for the Taxes of any Person under Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof of any analogous or similar provision under Legal Requirement), as a transferee or successor, by contract, or otherwise.

(iii) The Company has not made any payments, is not obligated to make any payments, or is not a party to any agreement that obligates it to make any payments that are not deductible under Section 280G of the Code. The Company has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(a)(ii) of the Code.

(v) Indebtedness and Other Contracts. Except as set forth on Schedule 3.1(v), neither the Company nor any of its Subsidiaries (i) has any outstanding Indebtedness (as defined below), (ii) is a party to any contract, agreement or instrument, the violation of which, or default under which, by the other party(ies) to such contract, agreement or instrument could reasonably be expected to result in a Material Adverse Effect, (iii) is in violation of any term of, or in default under, any contract, agreement or instrument relating to any Indebtedness, except where such violations and defaults would not result, individually or in the aggregate, in a Material Adverse Effect, or (iv) is a party to any contract, agreement or instrument relating to any Indebtedness, the performance of which, in the judgment of the Company's officers, has or is expected to have a Material Adverse Effect. For purposes of this Agreement: (x) "Indebtedness" of any Person means, without duplication (A) all indebtedness for borrowed money, (B) all obligations issued, undertaken or assumed as the deferred purchase price of property or services (including, without limitation, "capital leases" in accordance with generally accepted accounting principles) (other than trade payables entered into in the ordinary course of business), (C) all reimbursement or payment obligations with respect to letters of credit, surety bonds and other similar instruments, (D) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses, (E) all indebtedness created or arising under any conditional sale or other title retention agreement, or incurred as financing, in either case with respect to any property or assets acquired with the proceeds of such indebtedness (even though the rights and remedies of the seller or bank under such agreement in the event of default are limited to repossession or sale of such property), (F) all monetary obligations under any leasing or similar arrangement which, in connection with generally accepted accounting principles, consistently applied for the periods covered thereby, is classified as a capital lease, (G) all indebtedness referred to in clauses (A) through (F) above secured by (or for which the holder of such indebtedness has an existing right, contingent or otherwise, to be secured by) any mortgage, claim, lien, tax, right of first refusal, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by any Person, even though the Person which owns such assets or property has not assumed or become liable for the payment of such indebtedness, and (H) all Contingent Obligations in respect of indebtedness or obligations of others of the kinds referred to in clauses (A) through (G) above.

(w) Absence of Certain Changes. Other than as disclosed in the SEC Documents, since the date of the Company's most recent audited financial statements contained in a Form 10-K, there has been no material adverse change and no material adverse development in the business, assets, liabilities, properties, operations (including results thereof), condition (financial or otherwise) or prospects of the Company or any of its Subsidiaries. Except as disclosed in the SEC Documents, since the date of the Company's most recent audited financial statements contained in a Form 10-K, neither the Company nor any of its Subsidiaries has (i) declared or paid any dividends, (ii) sold any assets, individually or in the aggregate, outside of the ordinary course of business or (iii) made any capital expenditures, individually or in the aggregate, outside of the ordinary course of business. Neither the Company nor any of its Subsidiaries has taken any steps to seek protection pursuant to any law or statute relating to bankruptcy, insolvency, reorganization, receivership, liquidation or winding up, nor does the Company or any Subsidiary have any knowledge or reason to believe that any of their respective creditors intend to initiate involuntary bankruptcy proceedings or any actual knowledge of any fact which would reasonably lead a creditor to do so. The Company and its Subsidiaries, on a consolidated basis, are not as of the date hereof, and after giving effect to the transactions contemplated hereby to occur at the Closing, will not be Insolvent (as defined below). For purposes of this Section 3.1(w), "Insolvent" means, with respect to the Company and its Subsidiaries, on a consolidated basis, (A) the present fair saleable value of the Company's and its Subsidiaries' assets is less than the amount required to pay the Company's and its Subsidiaries' total indebtedness, (B) the Company and its Subsidiaries are unable to pay their debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured or (C) the Company and its Subsidiaries intend to incur or believe that they will incur debts that would be beyond their ability to pay as such debts mature. Neither the Company nor any of its Subsidiaries has engaged in any business or in any transaction, and is not about to engage in any business or in any transaction, for which the Company's or such Subsidiary's remaining assets constitute unreasonably small capital with which to conduct the business in which it is engaged as such business is now conducted and is proposed to be conducted.

(x) No Undisclosed Events, Liabilities, Developments or Circumstances. Since the date of the latest audited financial statements included within the SEC Reports, except as set forth in the SEC Documents: (i) there has been no event, occurrence or development that has had or that could reasonably be expected to result in a Material Adverse Effect, (ii) the Company has not incurred any material liabilities (contingent or otherwise) other than (A) trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or disclosed in the SEC Documents, (iii) the Company has not altered its method of accounting, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock and (v) except as set forth on Schedule 3.1(x), the Company has not issued any equity securities to any officer, director or Affiliate. The Company does not have pending before the SEC any request for confidential treatment of information. Except for the issuance of the Securities contemplated by this Agreement or as set forth on Schedule 3.1(x), no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to the Company or its Subsidiaries or their respective businesses, properties, operations, assets or financial condition, that would be required to be disclosed by the Company under applicable securities laws at the time this representation is made or deemed made that has not been publicly disclosed at least two Trading Days prior to the date that this representation is made.

(y) No Disqualification Events. None of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the Transaction contemplated hereby, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (each, an "Issuer Covered Person") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3). The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event.

(z) General Solicitation. None of the Company, any of its Affiliates or any person acting on behalf of the Company or such Affiliate will solicit any offer to buy or offer or sell the Securities by means of any form of general solicitation or general advertising within the meaning of Regulation D, including: (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio; and (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(aa) Compliance. Neither the Company nor any Subsidiary: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or other governmental authority or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws relating to ERISA, taxes, environmental protection, occupational health and safety, product quality and safety and employment and labor matters, except in each case as could not have or reasonably be expected to result in a Material Adverse Effect.

(bb) Regulatory Permits. The Company and the Subsidiaries possess all approvals, certificates, authorizations and permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct their respective businesses as described in the SEC Documents, except where the failure to possess such permits could not reasonably be expected to result in a Material Adverse Effect ("Material Permits"), and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any Material Permit.

(cc) Title to Assets. The Company and the Subsidiaries have good and marketable title in fee simple to all real property (if any) owned by them and good and marketable title in all personal property owned by them that is material to the business of the Company and the Subsidiaries, in each case free and clear of all Liens, except as set forth on Schedule 3.1(cc) and except for (i) Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and the Subsidiaries and (ii) Liens for the payment of federal, state or other taxes, for which appropriate reserves have been made in accordance with GAAP and the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by the Company and the Subsidiaries is held by them under valid, subsisting and enforceable leases with which the Company and the Subsidiaries are in compliance, or where the failure of a lease to be enforceable would not result in a Material Adverse Effect.

(dd) Intellectual Property.

(i) The term "Intellectual Property Rights" includes:

(A) the name of the Company and each Subsidiary, all fictional business names, trading names, registered and unregistered trademarks, service marks, and applications of the Company and each Subsidiary (collectively, "Marks");

(B) all patents, patent applications, and inventions and discoveries that may be patentable of the Company and each Subsidiary (collectively, "Patents");

(C) all copyrights in both unpublished works and published works of the Company and each Subsidiary (collectively, "Copyrights");

(D) all rights in mask works of the Company and each Subsidiary (collectively, "Rights in Mask Works"); and

(E) all know-how, trade secrets, confidential information, customer lists, software, technical information, data, process technology, plans, drawings, and blue prints (collectively, "Trade Secrets"); owned, used, or licensed by the Company and each Subsidiary as licensee or licensor.

(ii) Agreements. Except as set forth on Schedule 3.1(dd), there are no outstanding and, to the Company's Knowledge, no threatened disputes or disagreements with respect to any agreements relating to any Intellectual Property Rights to which the Company is a party or by which the Company is bound.

(iii) Know-How Necessary for the Business. The Intellectual Property Rights are all those necessary for the operation of the Company's businesses as it is currently conducted. The Company is the owner of all right, title, and interest in and to each of the Intellectual Property Rights, except as set forth on Schedule 3.1(dd), free and clear of all liens, security interests, charges, encumbrances, equities, and other adverse claims, and has the right to use all of the Intellectual Property Rights. To the Company's Knowledge, no employee of the Company has entered into any contract that restricts or limits in any way the scope or type of work in which the employee may be engaged or requires the employee to transfer, assign, or disclose information concerning his work to anyone other than of the Company.

(iv) Patents. The Company is the owner of, or has acquired the right and maintains the right to use, all right, title and interest in and to each of the Patents, free and clear of all Liens and other adverse claims. All of the issued Patents are currently in compliance with formal legal requirements (including payment of filing, examination, and maintenance fees and proofs of working or use), are valid and enforceable, and are not subject to any maintenance fees or taxes or actions falling due within 90 days after the Closing Date. No Patent has been or is now involved in any interference, reissue, reexamination, or opposition proceeding. To the Company's Knowledge except as set forth in Schedule 3.1(dd): (1) there is no potentially interfering patent or patent application of any third party, and (2) no Patent is infringed or has been challenged or threatened in any way. To the Company's Knowledge, none of the products manufactured and sold, nor any process or know-how used, by the Company infringes or is alleged to infringe any patent or other proprietary right of any other Person.

(v) Trademarks. The Company is the owner of all right, title, and interest in and to each of the Marks, free and clear of all Liens and other adverse claims. All Marks that have been registered with the United States Patent and Trademark Office are currently in compliance with all formal legal requirements (including the timely post-registration filing of affidavits of use and incontestability and renewal applications), are valid and enforceable, and except as set forth on Schedule 3.1(dd) are not subject to any maintenance fees or taxes or actions falling due within 90 days after the Closing Date. Except as set forth in Schedule 3.1(w), no Mark has been or is now involved in any opposition, invalidation, or cancellation and, to the Company's Knowledge, no such action is threatened with respect to any of the Marks. To the Company's Knowledge: (1) there is no potentially interfering trademark or trademark application of any third party, and (2) no Mark is infringed or has been challenged or threatened in any way. To the Company's Knowledge, none of the Marks used by the Company infringes or is alleged to infringe any trade name, trademark, or service mark of any third party.

(vi) Copyrights. The Company is the owner of all rights, title, and interest in and to each of the Copyrights, free and clear of all Liens and other adverse claims. All the Copyrights have been registered and are currently in compliance with formal requirements, are valid and enforceable, and are not subject to any maintenance fees or taxes or actions falling due within ninety days after the date of the Closing. To the Company's Knowledge, no Copyright is infringed or has been challenged or threatened in any way. To the Company's Knowledge, none of the subject matter of any of the Copyrights infringes or is alleged to infringe any copyright of any third party or is a derivative work based on the work of a third party. All works encompassed by the Copyrights have been marked with the proper copyright notice.

(vii) Trade Secrets. With respect to each Trade Secret, the documentation relating to such Trade Secret is current, accurate, and sufficient in detail and content to identify and explain it and to allow its full and proper use without reliance on the Knowledge or memory of any individual. The Company has taken all reasonable precautions to protect the secrecy, confidentiality, and value of its Trade Secrets. The Company has good title and an absolute and exclusive right to use the Trade Secrets. The Trade Secrets are not part of the public knowledge or literature, and, to the Company's Knowledge, have not been used, divulged, or appropriated either for the benefit of any Person (other the Company) or to the detriment of the Company, except as disclosed on Schedule 3.1(dd). No Trade Secret is subject to any adverse claim or has been challenged or threatened in any way.

(ee) Stock Option Plans. Each stock option granted by the Company under the stock option plan was granted (i) in accordance with the terms of such stock option plan and (ii) with an exercise price at least equal to the fair market value of the Common Stock on the date such stock option would be considered granted under GAAP and applicable law. No stock option granted under any stock option plan has been backdated. The Company has not knowingly granted, and there is no and has been no Company policy or practice to knowingly grant, stock options prior to, or otherwise knowingly coordinate the grant of stock options with, the release or other public announcement of material information regarding the Company or its Subsidiaries or their financial results or prospects.

(ff) Office of Foreign Assets Control. Neither the Company nor any Subsidiary nor, to the Company's Knowledge, any director, officer, agent, employee or affiliate of the Company is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC").

(gg) Money Laundering. The operations of the Company and its Subsidiaries are and have been conducted at all times in compliance in all material respects with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "Money Laundering Laws"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any Subsidiary with respect to the Money Laundering Laws is pending or, to the Knowledge of the Company or any Subsidiary, threatened.

(hh) No Integrated Transaction. Assuming the accuracy of the Purchaser's representations and warranties set forth in Section 3.2, neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of: (i) the Securities Act which would require the registration of any such securities under the Securities Act, or (ii) any applicable Stockholder Approval provisions of the Principal Market on which any of the securities of the Company are listed or designated.

(ii) Sarbanes-Oxley; Internal Accounting Controls. The Company and the Subsidiaries are in material compliance with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the SEC thereunder that are effective as of the date hereof and as of the Closing Date. The Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that, except as set forth in the SEC Documents: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company and the Subsidiaries have established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and the Subsidiaries and designed such disclosure controls and procedures to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded.

(jj) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which the Company and the Subsidiaries are engaged, including, but not limited to, directors and officers insurance coverage at least equal to the Subscription Amount, except as set forth on Schedule 3.1(jj). Neither the Company nor any Subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(kk) Disclosure. All of the disclosure furnished by or on behalf of the Company to the Purchaser regarding the Company and its Subsidiaries, their respective businesses and the transactions contemplated hereby, including the Disclosure Schedules to this Agreement, when taken together as a whole, is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. The press releases disseminated by the Company during the twelve months preceding the date of this Agreement taken as a whole do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made and when made, not misleading. The Company acknowledges and agrees that the Purchaser neither makes nor has made any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth herein.

(ll) Solvency. Based on the consolidated financial condition of the Company as of the Closing Date, and the Company's good faith estimate of the fair market value of its assets, after giving effect to the receipt by the Company of the proceeds from the sale of the Securities hereunder: (i) the fair saleable value of the Company's assets exceeds the amount that will be required to be paid on or in respect of the Company's existing debts and other liabilities (including known contingent liabilities) as they mature, (ii) the Company's assets do not constitute unreasonably small capital to carry on its business as now conducted and as proposed to be conducted including its capital needs taking into account the particular capital requirements of the business conducted by the Company, consolidated and projected capital requirements and capital availability thereof, and (iii) the current cash flow of the Company, together with the proceeds the Company would receive, were it to liquidate all of its assets, after taking into account all anticipated uses of the cash, would be sufficient to pay all amounts on or in respect of its liabilities when such amounts are required to be paid. The Company does not intend to incur debts beyond its ability to pay such debts as they mature (taking into account the timing and amounts of cash to be payable on or in respect of its debt). The Company has no Knowledge of any facts or circumstances which lead it to believe that it will file for reorganization or liquidation under the bankruptcy or reorganization laws of any jurisdiction within one year from the Closing Date. Schedule 3.1(ll) sets forth as of the date hereof all outstanding liens and secured and unsecured Indebtedness of the Company or any Subsidiary, or for which the Company or any Subsidiary has commitments. Except as disclosed on Schedule 3.1(jj), neither the Company nor any Subsidiary is in default with respect to any Indebtedness.

(mm) Foreign Corrupt Practices. Neither the Company nor any Subsidiary, nor to the Knowledge of the Company or any Subsidiary, any agent or other person acting on behalf of the Company or any Subsidiary, has: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by the Company or any Subsidiary (or made by any person acting on its behalf of which the Company is aware) which is in violation of law or (iv) violated in any material respect any provision of FCPA.

(nn) Bank Holding Company Act. Neither the Company nor any of its Subsidiaries or Affiliates is subject to the Bank Holding Company Act of 1956, as amended (the "BHCA") and to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve"). Neither the Company nor any of its Subsidiaries or Affiliates owns or controls, directly or indirectly, 5% or more of the outstanding shares of any class of voting securities or 25% or more of the total equity of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve. Neither the Company nor any of its Subsidiaries or Affiliates exercises a controlling influence over the management or policies of a bank or any entity that is subject to the BHCA and to regulation by the Federal Reserve.

(oo) Accountants and Lawyers. The Company's independent registered public accounting firm is set forth on Schedule 3.1(oo). To the Knowledge and belief of the Company, such accounting firm: (i) is an independent registered public accounting firm and (ii) has expressed its opinion with respect to the financial statements included in the Company's Annual Report for the fiscal year ended December 31, 2025. There are no disagreements of any kind presently existing, or reasonably anticipated by the Company to arise, between the Company and the accountants and lawyers formerly or presently employed by the Company and the Company is current with respect to any fees owed to its accountants and lawyers which could affect the Company's ability to perform any of its obligations under any of the Transaction Documents.

(pp) Material Agreements. Except for the Transaction Documents (with respect to clause (i) only) or as set forth on Schedule 3.1(mm) hereto, or as would not be reasonably likely to have a Material Adverse Effect, (i) the Company and each of its Subsidiaries have performed all obligations required to be performed by them to date under any Material Agreement, (ii) neither the Company nor any of its Subsidiaries has received any notice of default under any Material Agreement and, (iii) to the best of the Company's Knowledge, neither the Company nor any of its Subsidiaries is in default under any Material Agreement now in effect.

(qq) Promotional Stock Activities. To the knowledge of the Company, neither the Company, its officers, its directors, nor any Affiliates or agents of the Company have engaged in any stock promotional activity that could give rise to a complaint, inquiry, or trading suspension by the SEC alleging (i) a violation of the anti-fraud provisions of the federal securities laws, (ii) violations of the anti-touting provisions, (iii) improper gun-jumping; or (iv) promotion without proper disclosure of compensation.

(rr) No "Off-balance Sheet Arrangements." Other than as set forth in Schedule 3.1(rr), neither the Company nor any of its Affiliates is involved in any "Off-balance Sheet Arrangements". For purposes hereof an "Off-balance Sheet Arrangement" means any transaction or contract to which an entity unconsolidated with the Company or any of its Affiliates is a party and under which either the Company or any such Affiliate has: (i) any obligation under a guarantee contract pursuant to which the Company or any of its Affiliates could be required to make payments to the guaranteed party, including any standby letter of credit, market value guarantee, performance guarantee, indemnification agreement, keep-well or other support agreement; (ii) any retained or contingent interest in assets transferred to such unconsolidated entity that serves as credit, liquidity or market risk support to the entity in respect of such assets; (iii) any variable interest held in such unconsolidated entity where such entity provides financing, liquidity, market risk or credit risk support to, or engages in leasing, hedging or research and development services with the Company of any of its Affiliates; and (iv) any liability or obligation of the same nature as those described in clauses (i) through (iii) of this sentence even if of a different name (whether absolute, accrued, contingent or otherwise) that would not be required to be reflected in the Company or any of its Affiliates' financial statements.

(ss) Full Disclosure. No representation or warranty by the Company in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to the Purchaser pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to, and as applicable covenants with, the Company as of the date hereof and as of the Closing:

(a) Authority. The Purchaser has all necessary corporate power and authority to execute and deliver the Transaction Documents, to perform its obligations hereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and the Transaction Documents by the Purchaser, and the consummation by the Purchaser of the transactions contemplated hereby have been duly and validly authorized by its managing member, and no other company proceedings on the part of the Purchaser are necessary to authorize this Agreement or to consummate the transactions contemplated hereby. This Agreement and the Transaction Documents have been duly validly executed and delivered by the Purchaser and, assuming due authorization, execution and delivery by the Company, constitute a legally valid and binding obligation of the Purchaser, each enforceable against the Purchaser in accordance with its terms (except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws affecting creditors' rights generally and subject to the effect of general principles of equity, whether considered in a proceeding in equity or at law).

(b) No Conflict. None of the execution, delivery or performance of the Transaction Documents by the Purchaser, the consummation by the Purchaser of the transactions contemplated by this Agreement, or compliance by the Purchaser with any of the provisions of this Agreement will (with or without notice or lapse of time, or both): (a) conflict with or violate any provision of the organizational or governing documents of the Purchaser, or (b) assuming that all consents, approvals, authorizations and permits described in Section 3.1(d) have been obtained and all filings and notifications described in Section 3.1(d) have been made and any waiting periods thereunder have terminated or expired, conflict with or violate any law applicable to the Purchaser, except, with respect to clause (b), for any such conflicts, violations, consents, breaches, losses, defaults, other occurrences which, individually or in the aggregate, have not had a material adverse effect on the ability of the Purchaser to perform its obligations hereunder.

(c) Information in the Form 8-K and Registration Statement. The information supplied by the Purchaser in writing expressly for inclusion or incorporation by reference in the Form 8-K (as hereinafter defined), the Registration Statement, and any amendment thereof or supplement thereto, will not, on the date submitted to the Company, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading; provided, that such information shall only consist the name, address and other information that is required to be provided in the Form 8-K and Registration Statement for purposes of identifying the Purchaser.

(d) No Litigation. There are no actions, suits, arbitrations, mediations, proceedings or claims pending or, to the reasonable knowledge of the Purchaser, threatened against Purchaser that seeks to restrain or enjoin the consummation of the transactions contemplated hereby.

(e) Securities Act Representations.

(i) Restricted Shares. The Purchaser represents that it understands that except as provided herein or in the Registration Rights Agreement, the Securities to be sold to it pursuant to this Agreement will not be registered pursuant to the registration requirements of the Securities Act and that the resale of such Securities is subject to certain restrictions hereunder and under federal and state securities laws. The Purchaser represents that it is acquiring such Securities for its own account, not as a nominee or agent, and not with a view to the distribution thereof in violation of applicable securities laws. The Purchaser further represents that it has been advised and understands that to the extent such Securities have not been registered under the Securities Act, such Securities must be held indefinitely unless (i) the resale of such Securities has been registered under the Securities Act, (ii) a sale of such Securities is made in conformity with the holding period, volume and other limitations of Rule 144 promulgated by the SEC under the Securities Act, or (iii) in the opinion of counsel reasonably acceptable to the Company, some other exemption from registration is available with respect to any proposed sale, transfer or other disposition of such Securities.

(ii) Legend. The Purchaser represents that it has been advised and understands that, subject to applicable securities laws, stop transfer instructions will be given to the Company's Transfer Agent with respect to the Securities and that a legend, substantially in the form provided for in Section 4.1(b) hereof, setting forth the restrictions on transfer will be set forth on the certificates for the Issuable Shares or any substitutions therefor.

(iii) Accredited Investor. The Purchaser is an accredited investor (as such term is defined in Regulation D under the Securities Act).

(iv) Affiliate Status. As of the date of this Agreement and during the 90 calendar days prior to the date of this Agreement, neither the Purchaser nor any Affiliate thereof is or was an officer, director, or 10% or more stockholder of the Company.

(v) Certain Fees. Purchaser represents that it has not paid, and shall not pay, any commissions or other remuneration, directly or indirectly, to any third party for the solicitation of any transaction contemplated by this Agreement and no additional consideration from the Purchaser was received or will be received by the Company for the Securities.

(vi) Absence of Reliance. Purchaser understands and acknowledges that the issuance and transfer to it of the Securities has not been reviewed by the SEC or any state securities regulatory authority because such transaction is intended to be exempt from the registration requirements of the Securities Act, and applicable state securities laws. Purchaser understands that the Company is relying upon the truth and accuracy of, and Purchaser's compliance with, the representations, warranties, acknowledgments and understandings of Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of Purchaser to acquire the Securities.

(vii) Status of Purchaser. Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of Purchaser's investment in the Company through Purchaser's acquisition of the Securities. The Purchaser is able to bear the economic risk of its investment in the Company through Purchaser's acquisition of the Securities for an indefinite period of time. The Purchaser acknowledges that it, either alone or together with its professional advisors, has the capacity to protect its own interests in connection with the transactions contemplated hereby.

(viii) No General Solicitation. The Purchaser represents and warrants that it was not induced to invest in the Company (pursuant to the issuance to it of the Securities) by any form of general solicitation or general advertising, including, but not limited to, the following: (a) any advertisement, article, notice or other communication published in any newspaper, magazine or similar media (including via the Internet) or broadcast over the news or radio or (b) any seminar or meeting whose attendees were invited by any general solicitation or advertising.

(ix) No Short Sales. Purchaser agrees that neither it nor its Affiliates, agents or representatives shall at any time engage in any Short Sales of the Company's Common Stock or any other of the Company's securities.

(x) Acknowledgement of Receipt of Information. The Purchaser has had an opportunity to ask questions and receive answers and materials, and to discuss the business of the Company and its subsidiaries and related matters, with certain key officers of the Company and its subsidiaries regarding the transactions contemplated hereby. The Purchaser hereby acknowledges and agrees that other than the Company's representations and warranties set forth in Section 3.1 hereof, neither the Company nor any of its representatives makes or has made any representation or warranty, express or implied, at law or in equity, with respect to the business of the Company or any subsidiary thereof nor with respect to the Issuable Shares.

(f) Certificates evidencing Securities shall not be required to contain the legend set forth in Section 4.1 below or any other legend (i) while a registration statement covering the resale of such Securities is effective under the Securities Act, (ii) following any sale of such Securities pursuant to Rule 144 (assuming the transferor is not an affiliate of the Company), (iii) if such Securities are eligible to be sold, assigned or transferred under Rule 144 (provided that the Purchaser provides the Company with reasonable assurances that such Securities are eligible for sale, assignment or transfer under Rule 144 which shall not include an opinion of the Purchaser's counsel), (iv) in connection with a sale, assignment or other transfer (other than under Rule 144), provided that the Purchaser provides the Company with an opinion of counsel, in a generally acceptable form, to the effect that such sale, assignment or transfer of the Securities may be made without registration under the applicable requirements of the Securities Act or (v) if such legend is not required under applicable requirements of the Securities Act (including, without limitation, controlling judicial interpretations and pronouncements issued by the SEC). If a legend is not required pursuant to the foregoing, the Company shall no later than 9:00 a.m. the next Trading Day following the delivery by the Purchaser to the Company or the transfer agent (with notice to the Company) of a legended certificate representing such Securities (endorsed or with stock powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer, if applicable), together with any other deliveries from the Purchaser as may be required below in this Section 4.1 (i), as directed by the Purchaser, either: (A) provided that the Company's transfer agent is participating in the DTC Fast Automated Securities Transfer Program and the Securities are Conversion Shares, credit the aggregate number of Conversion Shares to which the Purchaser shall be entitled to the Purchaser's or its designee's balance account with DTC through its Deposit and Withdrawal at Custodian system or (B) if the Company's transfer agent is not participating in the DTC Fast Automated Securities Transfer Program, issue and deliver (via reputable overnight courier) to the Purchaser, a certificate representing such Securities that is free from all restrictive and other legends, registered in the name of the Purchaser or its designee. The Company shall be responsible for any transfer agent fees, fees of legal counsel to the Company or DTC fees with respect to any issuance of Securities or the removal of any legends with respect to any Securities in accordance herewith.

(g) the Purchaser understands that neither the SEC nor any state securities commission has approved the Securities or passed upon or endorsed the merits of the Transaction. There is no government or other insurance covering any of the Securities.

(h) The Purchaser has taken no action that would give rise to any claim by any person for brokerage commissions, finders' fees or the like relating to this Agreement or the transactions contemplated hereby.

(i) The Purchaser and the Purchaser's attorney, accountant, purchaser representative and/or tax advisor, if any (collectively, the "Advisors") has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of a prospective investment in the Securities. The Purchaser has not been organized solely for the purpose of acquiring the Securities. The Purchaser is not relying on the Company or any of its employees, agents, or advisors with respect to the legal, tax, economic and related considerations of an investment in the Securities, and the Purchaser has relied on the advice of, or has consulted with, only its own Advisors.

(j) No oral or written representations have been made, or oral or written information furnished, to the Purchaser or its Advisors, if any, in connection with the Transaction that are in any way inconsistent with the information contained herein.

ARTICLE IV
COVENANTS

4.1 Transfer Restrictions.

(a) The Securities may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Securities other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of the Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of such transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and the other applicable Transaction Documents and shall have the rights and obligations of the Purchaser under this Agreement.

(b) The Purchaser agrees to the imprinting, so long as is required by this Section 4.1, of a legend on the Securities in the following form:

"NEITHER THE ISSUANCE AND SALE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE OR EXERCISABLE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN

EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (B) AN OPINION OF COUNSEL TO THE HOLDER (IF REQUESTED BY THE COMPANY), IN A FORM REASONABLY ACCEPTABLE TO THE COMPANY, THAT REGISTRATION IS NOT REQUIRED UNDER SAID ACT OR (II) UNLESS SOLD OR ELIGIBLE TO BE SOLD PURSUANT TO RULE 144 OR RULE 144A UNDER SAID ACT. NOTWITHSTANDING THE FOREGOING, THE SECURITIES MAY BE PLEDGED IN CONNECTION WITH A BONA FIDE MARGIN ACCOUNT OR OTHER LOAN OR FINANCING ARRANGEMENT SECURED BY THE SECURITIES."

The Company acknowledges and agrees that, the Purchaser may from time to time pledge pursuant to a bona fide margin agreement with a registered broker-dealer or grant a security interest in some or all of the Securities to a financial institution that is an "accredited investor" as defined in Rule 501(a) under the Securities Act and who agrees to be bound by the provisions of this Agreement and the other applicable Transaction Documents and, if required under the terms of such arrangement, the Purchaser may transfer pledged or secured Securities into the name of the pledgees or secured parties, in their respective capacities as such. Such a pledge or transfer would not be subject to approval of the Company and no legal opinion of legal counsel of the pledgee, secured party or pledgor shall be required in connection therewith. Further, no notice shall be required of such pledge. At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Securities may reasonably request in connection with a pledge or transfer of the Securities.

(c) Certificates evidencing the Conversion Shares shall not contain any legend (including the legend set forth in Section 4.1(b) hereof): (i) while a registration statement covering the resale of any such securities is effective under the Securities Act; (ii) following any sale of such Conversion Shares pursuant to Rule 144; or (iii) if such legend is not required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the SEC). The Company shall upon request of the Purchaser and at the Company's sole expense cause its counsel (or at the Purchaser's option, counsel selected by the Purchaser) to issue a legal opinion reasonably satisfactory to the Transfer Agent, and in any event within one (1) Trading Day after request of the Purchaser, after any of the events described in (i)-(iii) in the preceding sentence if required by the Transfer Agent to effect the removal of the legend hereunder (with a copy to the applicable Purchaser and its broker). If all or any portion of any Preferred Shares is converted at a time when there is an effective registration statement to cover the resale of the Conversion Shares, or if such Conversion Shares may be sold under Rule 144 or if such legend is not otherwise required under applicable requirements of the Securities Act (including judicial interpretations and pronouncements issued by the staff of the SEC) then such Conversion Shares shall be issued free of all legends. The Company agrees that following such time as such legend is no longer required under this Section 4.1(c), it will, no later than 9:00 AM the next Trading Day following the delivery by a Purchaser to the Company or the Transfer Agent of a certificate representing Conversion Shares issued with a restrictive legend (such Trading Day, the "Legend Removal Date"), instruct the Transfer Agent to deliver or cause to be delivered to the Purchaser a certificate representing such shares of Common Stock that is free from all restrictive and other legends. The Company may not make any notation on its records or give instructions to the Transfer Agent that enlarge the restrictions on transfer set forth in this ARTICLE IV. Certificates for the Conversion Shares that are subject to legend removal hereunder shall be transmitted by the Transfer Agent to the Purchaser by crediting the account of the Purchaser's prime broker with the Depository Trust Company System as directed by the Purchaser.

(d) In lieu of delivering physical certificates representing the unlegended shares, upon request of the Purchaser, so long as the certificates therefor do not bear a legend and the Purchaser is not obligated to return such certificate for the placement of a legend thereon and provided it is commercially reasonable for the Company to do so, the Company shall cause its transfer agent to electronically transmit the unlegended shares by crediting the account of Purchaser's prime broker with the Depository Trust Company through its DWAC system, provided that the Company's Common Stock is DTC eligible and the Company's transfer agent participates in the Deposit Withdrawal at Custodian system and such Securities are Conversion Shares. Such delivery must be made on or before the Legend Removal Date.

(e) In the event the Purchaser shall request delivery of unlegended shares as described in this Section 4.1 and the Company is required to deliver such unlegended shares, the Company may not refuse to deliver unlegended shares based on any claim that the Purchaser or anyone associated or affiliated with the Purchaser has not complied with Purchaser's obligations under the Transaction Documents, or for any other reason, unless, an injunction or temporary restraining order from a court, on notice, restraining and or enjoining delivery of such unlegended shares shall have been sought and obtained by the Company and the Company has posted a surety bond for the benefit of the Purchaser in the amount of the greater of (i) 100% of the amount of the aggregate stated value of the Conversion Shares which is subject to the injunction or temporary restraining order, or (ii) the VWAP of the Common Stock on the trading day before the issue date of the injunction multiplied by the number of unlegended shares to be subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the dispute and the proceeds of which shall be payable to the Purchaser to the extent Purchaser obtains judgment in Purchaser's favor.

4.2 Furnishing of Information. For as long as the Purchaser owns Preferred Shares, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act. Upon the request of the Purchaser, the Company shall deliver to the Purchaser a written certification of a duly authorized officer as to whether it has complied with the preceding sentence. For as long as the Purchaser owns Preferred Shares, if the Company is not required to file reports pursuant to such laws, it will prepare and furnish to the Purchaser and make publicly available in accordance with Rule 144(c) such information as is required for the Purchaser to sell the Preferred Shares under Rule 144. The Company further covenants that it will take such further action as any holder of Preferred Shares may reasonably request, all to the extent required from time to time to enable such Person to sell such Preferred Shares without registration under the Securities Act within the limitation of the exemptions provided by Rule 144.

4.3 Integration. The Company shall not sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that would be integrated with the offer or sale of the Preferred Shares in a manner that would require the registration under the Securities Act of the sale of the Preferred Shares to Purchaser or that would be integrated with the offer or sale of the Preferred Shares for purposes of the rules and regulations of any Trading Market such that it would require stockholder approval prior to the closing of such other transaction unless stockholder approval is obtained before the closing of such subsequent transaction.

4.4 Securities Laws Disclosure; Publicity. The Company shall timely file a Current Report on Form 8-K (the "Form 8-K") as required by this Agreement, and may issue a press release, in each case reasonably acceptable to Purchaser, disclosing the material terms of the transactions contemplated hereby. The Company and Purchaser shall consult with each other in issuing any press releases with respect to the transactions contemplated hereby, and neither the Company nor Purchaser shall issue any such press release or otherwise make any such public statement without the prior consent of the Company, with respect to any such press release of Purchaser, or without the prior consent of Purchaser, with respect to any such press release of the Company, which consent shall not unreasonably be withheld or delayed, except if such disclosure is required by law or Principal Market Rules, in which case the disclosing party shall promptly provide the other party with prior notice of such public statement or communication. Notwithstanding the foregoing, the Company shall not publicly disclose the name of the Purchaser, or include the name of the Purchaser in any filing with the SEC or any regulatory agency or Principal Market, without the prior written consent of the Purchaser, except (i) as contained in the Form 8-K and press release described above, (ii) as required by federal securities law in connection with any registration statement under which the securities are registered, (iii) to the extent such disclosure is required by law or Principal Market Rules, in which case the Company shall provide Purchaser with prior notice of such disclosure, or (iv) to the extent such disclosure is required in any SEC Document filed by the Company.

4.5 Most Favored Nation Status. Not applicable.

4.6 Right of First Refusal. Not applicable.

4.7 Right of Participation. Not applicable.

4.8 Board Appointment Right. Not applicable.

4.9 Stockholders Rights Plan; Investment Company. No claim will be made or enforced by the Company or, to the Knowledge of the Company, any other Person that Purchaser is an "Acquiring Person" under any stockholders rights plan or similar plan or arrangement in effect or hereafter adopted by the Company, or that Purchaser could be deemed to trigger the provisions of any such plan or arrangement, by virtue of receiving Preferred Shares under the Transaction Documents or under any other agreement between the Company and Purchaser. The Company shall conduct its business in a manner so that it will not become subject to the Investment Company Act of 1940, as amended.

4.10 Non-Public Information. The Company covenants and agrees that neither it nor any other Person acting on its behalf will provide Purchaser or its agents or counsel with any information that the Company believes constitutes material non-public information, unless prior thereto Purchaser shall have executed a written agreement regarding the confidentiality and use of such information. On and after the date hereof, neither Purchaser nor any Affiliate of Purchaser shall have any duty of trust or confidence that is owed directly, indirectly, or derivatively, to the Company or the stockholders of the Company, or to any other Person who is the source of material non-public information regarding the Company. The Company understands and confirms that Purchaser shall be relying on the foregoing in effecting transactions in securities of the Company.

4.11 Certain Limitations. Notwithstanding anything contained in any Transaction Document to the contrary, the parties covenant and agree that the Purchaser shall not convert any Preferred Shares, sell any Conversion Shares, exercise any Warrants or sell any Warrants to the extent it would exceed the Exchange Cap, unless and until the Company obtains Stockholder Approval of the Transaction in accordance with the Principal Market Rules. The Purchaser further covenants and agrees not to vote any of its Securities at the meeting of the stockholders held for the purpose of obtaining such Stockholder Approval. In addition, and notwithstanding the receipt of Stockholder Approval, the Company shall not issue, and the Purchaser shall not have the right to acquire, any shares of Common Stock upon conversion of any Preferred Shares or exercise of any Warrants to the extent that, after giving effect to such issuance, the Purchaser (together with its Affiliates and any other Persons whose beneficial ownership of Common Stock would be aggregated with the Purchaser's for purposes of Section 13(d) of the Exchange Act) would beneficially own a number of shares of Common Stock exceeding the Beneficial Ownership Limitation. The Beneficial Ownership Limitation shall be applied, and may be waived, increased or decreased by the Purchaser solely as to itself, in the manner and subject to the notice requirements set forth in the COD and the Warrants, as applicable.

4.12 Approval by Holders of Capital Stock. The Company shall file with the SEC a preliminary proxy statement (or, if permitted, a definitive proxy statement) relating to the Stockholder Approval no later than 20 days following the Execution Date and shall use its reasonable best efforts to cause such proxy statement to be cleared, disseminated and approved by its stockholders as promptly as practicable, and in any event to obtain the Stockholder Approval no later than 90 days after the Execution Date, including by calling and holding a meeting of its stockholders and soliciting proxies in favor thereof. Until such Stockholder Approval has been obtained, the Purchaser shall not (i) convert its Preferred Shares into Conversion Shares or (ii) exercise any portion of the Warrants, in each case to the extent the same would exceed the Exchange Cap.

4.13 Certain Transactions. The Purchaser covenants and agrees that neither it, nor any Affiliate acting on its behalf or pursuant to any understanding with it will execute any Short Sales of the Common Stock or hedging transaction, which establishes a net short position with respect to the Company's Common Stock during the period commencing with the execution of this Agreement and ending on the date of the full conversion of the Preferred Shares.

4.14 Registration Statement. The Company shall, within 30 days from the Execution Date, file a Registration Statement on Form S-1 (or if applicable, Form S-3) for the resale of the Conversion Shares and Warrant Shares (any other applicable securities) in accordance with the Registration Rights Agreement.

4.15 Maintenance of Registration Statement. For so long as any of the Issuable Shares remains outstanding, the Company shall use its best efforts to maintain the effectiveness of the Registration Statement for the resale thereunder of the Issuable Shares. The Company shall promptly amend the Registration Statement on such other form as may be necessary to maintain the effectiveness of the Registration Statement for this purpose. If at any time following the date hereof the Registration Statement is not effective or is not otherwise available for the issuance of the Issuable Shares or any prospectus contained therein is not available for use, the Company shall immediately notify the Purchaser in writing that the Registration Statement is not then effective or a prospectus contained therein is not available for use and thereafter shall promptly notify the Purchaser when the Registration Statement is effective again and available for the issuance of the Issuable Shares or such prospectus is again available for use.

4.16 Primary Market Compliance. Notwithstanding anything in this Agreement or any other Transaction Document to the contrary, the parties shall use commercially reasonable efforts to comply with the Principal Market Rules, including the listing requirements, and as long as the Common Stock remains listed on the Principal Market the parties shall not enforce any provision of any Transaction Document which does not comply with the Principal Market Rules.

4.17 Reservation of Shares. The Company shall initially duly authorize and reserve 278 shares of Series A Preferred Stock and thereafter shall have a sufficient number of duly authorized shares of Series A Preferred Stock to be able to issue the Preferred Shares to the Purchaser. The Company shall reserve, solely for the purpose of issuing the Issuable Shares, a number of shares of its authorized and unissued Common Stock equal to the Required Minimum (or, if less, the maximum number of shares of Common Stock that are authorized but unissued and not otherwise reserved for issuance as of the date hereof). Thereafter, the Company shall reserve and keep available out of its authorized and unissued Common Stock (i) solely for the purpose of issuing the Conversion Shares, a number of authorized and unissued shares of Common Stock as indicated in the COD and (ii) solely for the purpose of issuing the Warrant Shares, a number of authorized and unissued shares of Common Stock as indicated in the Warrant. Notwithstanding the foregoing, until such time as the Certificate of Incorporation has been amended to authorize a number of shares of Common Stock sufficient to satisfy the Required Minimum, the Company shall reserve and keep available the maximum number of shares of Common Stock that are authorized but unissued and not otherwise reserved for issuance as of the applicable date of determination, and the Company shall not be deemed in breach of this Section 4.16 for failing to reserve shares in excess of such maximum number prior to such amendment. The Company shall comply with its obligations under Section 4.26 to seek and effect an amendment to the Certificate of Incorporation to increase its authorized shares of Common Stock.

4.18 Listing. The Company shall promptly secure the listing or designation for quotation (as the case may be) of all of the Conversion Shares and the Warrant Shares upon each trading market and national securities exchange and automated quotation system, if any, upon which the Common Stock is then listed or designated for quotation (as the case may be) (so that all such Conversion Shares and the Warrant Shares may be traded on the foregoing, subject to official notice of issuance) and shall maintain such listing or designation for quotation (as the case may be) of all Conversion Shares and the Warrant Shares from time to time issuable under the terms of the Transaction Documents on such national securities exchange or automated quotation system. The Company shall maintain the Common Stock's listing or designation for quotation (as the case may be) on the Principal Market, the New York Stock Exchange, the NYSE American, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market (each, an "Eligible Market"). The Company shall not take any action which could be reasonably expected to result in the delisting or suspension of the Common Stock on the Principal Market or any Eligible Market. The Company shall pay all fees and expenses in connection with satisfying its obligations under this Section 4.18.

4.19 Corporate Existence. So long as Purchaser owns the Warrant, the Company shall not be party to any Fundamental Transaction unless the Company is in compliance with the applicable provisions governing Fundamental Transactions set forth in the Warrants.

4.20 Conduct of Business. The business of the Company shall not be conducted in violation of any law, ordinance or regulation of any governmental entity, except where such violations would not result, either individually or in the aggregate, in a Material Adverse Effect.

4.21 Passive Foreign Investment Company. The Company shall conduct its business in such a manner as will ensure that the Company will not be deemed to constitute a passive foreign investment company within the meaning of Section 1297 of the U.S. Internal Revenue Code of 1986, as amended.

4.22 Notice of Disqualification Events. The Company will notify the Purchaser in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person not otherwise disclosed herein.

4.23 Indemnification of Purchaser. Subject to the provisions of this Section 4.23, the Company will indemnify and hold the Purchaser and its officers, managers, members, partners, employees and agents (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls the Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, managers, stockholders, agents, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "Purchaser Party") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation that any the Purchaser Party may suffer or incur as a result of or relating to (a) any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement or in the other Transaction Documents or (b) any action instituted against, or any subpoena directed to, the Purchaser Parties in any capacity, or any of them or their respective Affiliates, by any stockholder of the Company who is not an Affiliate of the Purchaser Party, with respect to any of the transactions contemplated by the Transaction Documents (unless such action is based upon a breach of the Purchaser Party's representations, warranties or covenants under the Transaction Documents or any agreements or understandings the Purchaser Party may have with any such stockholder or any willful violations by such Purchaser Party of state or federal securities laws or any conduct by the Purchaser Party which constitutes fraud or willful misconduct). If any action shall be brought against any Purchaser Party in respect of which indemnity may be sought pursuant to this Agreement, the Purchaser Party shall promptly notify the Company in writing, and the Company shall have the right to assume the defense thereof with counsel of its own choosing reasonably acceptable to the Purchaser Party; provided, however, that the failure of any Purchaser Party to so notify the Company shall not relieve the Company of its obligations hereunder except to the extent, and only to the extent, that the Company is actually and materially prejudiced by such failure, and shall not in any event relieve the Company of any liability that it may have to any Purchaser Party otherwise than under this Section 4.23. Any Purchaser Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Purchaser Party except to the extent that (i) the employment thereof has been specifically authorized by the Company in writing, (ii) the Company has failed after a reasonable period of time to assume such defense and to employ counsel or (iii) in such action there is, in the reasonable opinion of counsel retained to represent such Purchaser Party, a material conflict on any material issue between the position of the Company and the position of the Purchaser Party, in which case the Company shall be responsible for the reasonable fees and expenses of no more than one such separate counsel. The Company will not be liable to any Purchaser Party under this Agreement (x) for any settlement by the Purchaser Party effected without the Company's prior written consent, which shall not be unreasonably withheld or delayed; or (y) to the extent, but only to the extent that a loss, claim, damage or liability is attributable to any Purchaser Party's breach of any of the representations, warranties, covenants or agreements made by the Purchaser Party in this Agreement or in the other Transaction Documents or such Purchaser Party's fraud or willful misconduct. The indemnification required by this Section 4.23 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or are incurred, and such obligation to advance shall not be excused, conditioned upon, or delayed by reason of any assertion by the Company that a loss may be subject to an exclusion from indemnification hereunder unless and until such exclusion has been established by a final, non- appealable judgment of a court of competent jurisdiction. The indemnification contained herein shall be in addition to any cause of action or similar right of any Purchaser Party against the Company or others and any liabilities the Company may be subject to pursuant to applicable law.

4.24 Form D; Blue Sky Filings. The Company agrees to timely file a Form D with respect to the sale of the Securities by the Company under this Agreement as required under Regulation D. The Company shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for, or to qualify the Securities for, sale to the Purchaser at the Closing under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of such actions promptly upon request of the Purchaser.

4.25 Use of Proceeds. The Company shall use the net proceeds from this offering solely for ordinary- course working capital and operating expenditures, refinancing of existing senior indebtedness, restructuring and integration costs in furtherance of the Company's strategic plan, professional fees (including legal, audit, listing- maintenance and directors' and officers' insurance), placement and advisory fees, and prepayment of rent under the Company's existing real property lease(s). Prior to the Closing, upon the request of the Purchaser, the Company shall deliver to the Purchaser a written accounting of the use of the net proceeds.

4.26 Authorized Share Increase. If at any time the number of authorized but unissued shares of Common Stock and/or Series A Preferred Stock shall not be sufficient to satisfy the Required Minimum, the Company shall obtain, as promptly as practicable and in any event within 90 days after such date, the approval of its stockholders for, and thereafter to effect, an amendment to the Certificate of Incorporation to increase the number of authorized shares of Common Stock and/or Series A Preferred Stock to such number as shall be sufficient to satisfy the Required Minimum, including by calling and holding a meeting of its stockholders and soliciting proxies in favor thereof and recommending that its stockholders approve such amendment. The Company shall seek such approval at the same meeting at which it seeks the Stockholder Approval pursuant to Section 4.12. If the Company does not obtain such stockholder approval at such meeting, the Company shall obtain such approval as soon as possible thereafter, including by calling and holding an additional meeting of its stockholders for such purpose (and soliciting proxies in favor thereof and recommending that its stockholders approve such amendment) following such meeting, and shall thereafter continue to call and hold a meeting of its stockholders for such purpose as soon as possible following each meeting at which such approval is not obtained, until such approval is obtained.

ARTICLE V
TERMINATION

5.1 Termination.

(a) The Purchaser may elect to terminate this Agreement upon the occurrence of any of the following:

(i) if at any time the Company has filed for and/or is subject to any bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors instituted by or against the Company or any Subsidiary of the Company;

(ii) the Company is in breach or default of any Material Agreement, which breach or default could reasonably be expected to have a Material Adverse Effect;

(iii) the Company is in breach or default of this Agreement, any Transaction Document, or any agreement with any Purchaser or any Affiliate of the Purchaser, which breach or default could reasonably be expected to have a Material Adverse Effect; or

(iv) upon the occurrence of a Fundamental Transaction.

(b) The Company may elect to terminate this Agreement in the event that the Purchaser is in breach or default of this Agreement, any Transaction Document, or any agreement with the Company or any Affiliate of the Company, which breach or default would be expected to have a Material Adverse Effect.

(c) In addition, termination shall not relieve any party of liability for any breach occurring prior to termination, and any provision that by its terms survives shall survive termination of the Agreement.

ARTICLE VI
MISCELLANEOUS

6.1 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) any of the other Transaction Documents, whenever the Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then the Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights; provided, however, that in the case of a rescission of a conversion of any Preferred Share, the Purchaser shall be required to return any shares of Common Stock subject to any such rescinded conversion or exercise notice concurrently with the return to the Purchaser of the aggregate exercise price paid to the Company for such shares.

6.2 Fees and Expenses. Except as expressly set forth in the Transaction Documents to the contrary, each party shall pay the fees and expenses of its Advisors, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of the Transaction Documents.

6.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

6.4 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of: (a) the time of transmission, if such notice or communication is delivered via email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the time of transmission, if such notice or communication is delivered via email attachment at the email address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto. To the extent that any notice provided pursuant to any Transaction Document constitutes, or contains, material, non-public information regarding the Company or any Subsidiaries, the Company shall simultaneously file such notice with the Commission pursuant to a Current Report on Form 8-K.

6.5 Amendments; Waivers. No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchaser, or, in the case of a waiver, by the party against whom enforcement of any such waived provision is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any party to exercise any right hereunder in any manner impair the exercise of any such right.

6.6 Headings. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

6.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of the Purchaser. The Purchaser may assign any or all of its rights under this Agreement to any Person to whom the Purchaser assigns or transfers any Preferred Shares , provided that such transferee agrees in writing to be bound, with respect to the transferred Securities, by the provisions of the Transaction Documents that apply to the "Purchasers."

6.8 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except as otherwise set forth herein.

6.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective Affiliates, employees or agents) shall be commenced exclusively in the state and/or federal courts located in New York City, New York. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the state and/or federal courts located in New York City, New York for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any such New York Court, or that such Proceeding has been commenced in an improper or inconvenient forum. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

6.10 Survival. Subject to applicable statute of limitations, the representations and warranties contained herein shall survive the Closing Date.

6.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

6.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

6.13 Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

6.14 Replacement of Securities. If any certificate or instrument evidencing any of the Securities is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon surrender and cancellation thereof (in the case of mutilation), or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft, destruction, or mutilation, and of the ownership of such Security. The applicant for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs (including customary indemnity and bonds) associated with the issuance of such replacement Securities.

6.15 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchaser and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations contained in the Transaction Documents and hereby agree to waive and not to assert in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

6.16 Payment Set Aside. To the extent that the Company makes a payment or payments to the Purchaser pursuant to any Transaction Document or the Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other Person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

6.17 Liquidated Damages. The Company's obligations to pay any partial liquidated damages or other amounts owing under the Transaction Documents is a continuing obligation of the Company and shall not terminate until all unpaid partial liquidated damages and other amounts due thereunder have been paid notwithstanding the fact that the instrument or security pursuant to which such partial liquidated damages or other amounts are due and payable shall have been canceled.

6.18 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

6.19 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

6.20 WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.

6.21 Equitable Adjustment. Trading volume amounts, price/volume amounts and similar figures in the Transaction Documents shall be equitably adjusted (but without duplication) to offset the effect of stock splits, similar events and as otherwise described in this Agreement, if such events shall occur between the date of this Agreement and a Tranche Closing.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be duly executed by its authorized signatory as of the date first indicated above.

POLAR POWER, INC.

By: /s/ Arthur D. Sams
Name: Arthur D. Sams
Title: Chief Executive Officer

Address for Notice:

Attention: Arthur D. Sams

E-Mail: asams@polarpowerinc.com

IN WITNESS WHEREOF, the undersigned has caused this Securities Purchase Agreement to be duly executed by its authorized signatory of the date first indicated above.

PURCHASER SIGNATURE PAGES TO POLAR POWER, INC. SECURITIES PURCHASE AGREEMENT

Name of Purchaser: LU2 Holdings LLC

Signature of Authorized Signatory of Purchaser: /s/ Lucinda Lefkowitz

Name of Authorized Signatory: Lucinda Lefkowitz

Title of Authorized Signatory: Managing Member

Email Address of Authorized Signatory:

Address for Notice to Purchaser: 132 Oval Road, Manasquan, NJ 08736

Investment: $250,000

Number of Series A Convertible Preferred Shares: 278

EIN Number:

Exhibit 31.1

CERTIFICATION

I, Arthur D. Sams, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Polar Power, 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 officers 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 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 23, 2026

/s/ Arthur D. Sams
Arthur D. Sams
Co-Chief Executive Officer, President and Secretary
(Co-Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Chris Mayer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Polar Power, 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 officers 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 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 23, 2026

/s/ Chris Mayer
Chris Mayer
Co-Chief Executive Officer

Exhibit 31.3

CERTIFICATION

I, Luis Zavala, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Polar Power, 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 officers 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 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 officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 23, 2026

/s/ Luis Zavala
Luis Zavala
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS OF CO-CHIEF EXECUTIVE OFFICERS AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Polar Power, Inc. (the "Company") for the quarterly period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned hereby certifies in his capacity as a Co-Chief Executive Officer or the Chief Financial Officer of the Company, as applicable, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 23, 2026

/s/ Arthur D. Sams	*/s/ Chris Mayer*	*/s/ Luis Zavala*
Arthur D. Sams Co-Chief Executive Officer and President (Co-Principal Executive Officer)	Chris Mayer Co-Chief Executive Officer (Co-Principal Executive Officer)	Luis Zavala Chief Financial Officer (Principal Financial Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appear in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.