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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2022

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: 001-37725

ViewRay, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**42-1777485**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
2 Thermo Fisher Way Oakwood Village, OH	**44146**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (440) 703-3210

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 $0.01	VRAY	The Nasdaq Global Market

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

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

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

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

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

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

As of April 29, 2022, the registrant had 180,458,495 shares of common stock, $0.01 par value per share, outstanding.

VIEWRAY, INC.
FORM 10-Q

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Report"), contains forward-looking statements, including, without limitation, in the sections captioned "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and elsewhere. Any and all statements contained in this Report that are not statements of historical fact may be deemed forward-looking statements. Terms such as "will", "may," "might," "would," "should," "could," "project," "estimate," "pro forma," "predict," "potential," "strategy," "anticipate," "attempt," "develop," "plan," "help," "believe," "continue," "intend," "expect," "future" and terms of similar import (including the negative of any of the foregoing) may be intended to identify forward-looking statements. However, not all forward-looking statements may contain one or more of these identifying terms. Forward-looking statements in this Report may include, without limitation, statements regarding (i) the plans and objectives of management for future operations, including plans or objectives relating to the development of products, (ii) a projection of revenue, cash usage, income (including income/loss), earnings (including earnings/loss) per share, capital expenditures, dividends, capital structure or other financial items, (iii) our future financial performance, including any such statement contained in a discussion and analysis of financial condition by management or in the results of operations included pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") and (iv) the assumptions underlying or relating to any statement described in points (i), (ii) or (iii) above.

The forward-looking statements are not meant to predict or guarantee actual results, performance, events or circumstances and may not be realized because they are based upon our current projections, plans, objectives, beliefs, expectations, estimates and assumptions and are subject to a number of risks and uncertainties and other influences, many of which we have no control over. Actual results and the timing of certain events and circumstances may differ materially from those described by the forward-looking statements as a result of these risks and uncertainties. Factors that may influence or contribute to the inaccuracy of the forward-looking statements or cause actual results to differ materially from expected or desired results may include, without limitation:

- delays in business operations and installation caused by the concerns in connection with the COVID-19 pandemic;
- disruptions in the supply or changes in the costs of raw materials, labor, product components, or transportation services as a result of inflation;
- the effect or impact of market consolidation;
- market acceptance of magnetic resonance imaging ("MRI") guided radiation therapy;
- the benefits of MR Image-Guided radiation therapy;
- our ability to obtain and maintain regulatory approval in targeted markets for MRIdian;
- our ability to successfully sell and market MRIdian® in our existing and expanded geographies;
- the performance of MRIdian in clinical settings;
- competition from existing technologies or products or new technologies and products that may emerge;
- the pricing and reimbursement of MR Image-Guided radiation therapy;
- the implementation of our business model and strategic plans for our business and MRIdian;
- the scope of protection we are able to establish and maintain for intellectual property rights covering MRIdian;
- estimates of our future revenue, expenses, capital requirements and our need for additional financing;
- our financial performance;
- our expectations related to the MRIdian linear accelerator technology ("MRIdian Linac");
- developments relating to our competitors and the healthcare industry; and
- other risks and uncertainties, including those listed under the section titled "Risk Factors."

Any forward-looking statements in this Report reflect our current views with respect to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under Part II, Item 1A, titled "Risk Factors" and discussed elsewhere in this Report, and in Part I, Item 1A, titled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. Given these uncertainties, you are cautioned not to place undue reliance on these forward-looking statements. We disclaim any obligation to update the forward-looking statements contained in this Report to reflect any new information or future events or circumstances or otherwise, except as required by law.

This Report may also contain estimates, projections and other information concerning our industry, our business, and the markets for certain devices, including data regarding the estimated size of those markets. Information that is based on estimates, forecasts, projections, market research or similar methodologies is inherently subject to uncertainties and actual events or circumstances may differ materially from events and circumstances reflected in this information. Unless otherwise expressly stated, we obtained this industry, business, market and other data from reports, research surveys, studies and similar data prepared by market research firms and other third parties, industry, medical and general publications, government data and similar sources.

PART I—FINANCIAL INFORMATION

Item 1. Unaudited Condensed Consolidated Financial Statements

VIEWRAY, INC.
Condensed Consolidated Balance Sheets
(In thousands, except share and per share data)
(Unaudited)

	March 31, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 180,061	$ 218,348
Accounts receivable	28,002	21,659
Inventory, net of allowance of $1,676 and $3,071, respectively	26,080	29,617
Deposits on purchased inventory	7,153	4,778
Deferred cost of revenue	5,439	3,342
Prepaid expenses and other current assets	5,285	5,803
Total current assets	252,020	283,547
Property and equipment, net	20,357	20,242
Restricted cash	4,596	1,460
Intangible assets, net	43	44
Right-of-use assets	9,080	9,661
Other assets	11,991	6,853
TOTAL ASSETS	$ 298,087	$ 321,807
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 9,252	$ 9,199
Accrued liabilities	18,427	26,555
Customer deposits	27,377	20,784
Operating lease liability, current	2,633	2,561
Current portion of long-term debt	8,056	3,222
Deferred revenue, current	13,879	13,920
Total current liabilities	79,624	76,241
Deferred revenue, net of current portion	7,507	4,232
Long-term debt	49,282	54,031
Warrant liabilities	3,965	6,795
Operating lease liability, noncurrent	7,373	8,066
Other long-term liabilities	2,831	2,647
TOTAL LIABILITIES	150,582	152,012
Commitments and contingencies (Note 6)		
Stockholders' equity:		
Preferred stock, par value of $0.01 per share; 10,000,000 shares authorized at March 31, 2022 and December 31, 2021; no shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	—	—
Common stock, par value of $0.01 per share; 300,000,000 shares authorized at March 31, 2022 and December 31, 2021; 180,442,026 and 179,206,456 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	1,794	1,782
Additional paid-in capital	908,617	905,145
Accumulated deficit	(762,906)	(737,132)
TOTAL STOCKHOLDERS' EQUITY	147,505	169,795
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 298,087	$ 321,807

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

VIEWRAY, INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Revenue:		
Product	$ 13,426	$ 11,379
Service	5,331	4,027
Distribution rights	119	119
Total revenue	18,876	15,525
Cost of revenue:		
Product	13,766	10,685
Service	5,016	4,518
Total cost of revenue	18,782	15,203
Gross profit	94	322
Operating expenses:		
Research and development	7,870	6,510
Selling and marketing	6,884	2,848
General and administrative	12,814	15,639
Total operating expenses	27,568	24,997
Loss from operations	(27,474)	(24,675)
Interest income	5	2
Interest expense	(1,064)	(1,058)
Other (expense) income, net	2,759	(1,012)
Loss before provision for income taxes	$ (25,774)	$ (26,743)
Provision for income taxes	—	—
Net loss and comprehensive loss	$ (25,774)	$ (26,743)
Net loss per share, basic and diluted	$ (0.14)	$ (0.17)
Weighted-average common shares used to compute net loss per share attributable to common stockholders, basic and diluted	179,740,732	160,138,327

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

VIEWRAY, INC.
Condensed Consolidated Statements of Stockholders' Equity
(In thousands, except share and per share data)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2021	179,206,456	$ 1,782	$ 905,145	$ (737,132)	$ 169,795
Issuance of common stock from option exercises	19,292	—	56	—	56
Stock-based compensation	—	—	5,032	—	5,032
Issuance of common stock from releases of restricted stock units	1,216,278	12	(12)	—	—
Tax withholding paid on behalf of employees for stock-based awards	—	—	(1,604)	—	(1,604)
Net loss	—	—	—	(25,774)	(25,774)
Balance at March 31, 2022	180,442,026	$ 1,794	$ 908,617	$ (762,906)	$ 147,505

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2020	148,615,351	$ 1,476	$ 755,874	$ (627,084)	$ 130,266
Issuance of common stock from option exercises	6,021	—	19	—	19
Stock-based compensation	—	—	8,494	—	8,494
Issuance of common stock from releases of restricted stock units	1,209,870	12	(12)	—	—
Tax withholding paid on behalf of employees for stock-based awards	—	—	(1,473)	—	(1,473)
Issuance of common stock upon public offering (net of offering cost of $3,991)	11,856,500	119	53,394	—	53,513
Issuance of common stock from warrant exercises	42,621	—	2	—	2
Reclassification of warrant liability to additional paid-in capital upon warrant exercises	—	—	327	—	327
Net loss	—	—	—	(26,743)	(26,743)
Balance at March 31, 2021	161,730,363	$ 1,607	$ 816,625	$ (653,827)	$ 164,405

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

VIEWRAY, INC.
Condensed Consolidated Statements of Cash Flows
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (25,774)	$ (26,743)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,244	1,648
Stock-based compensation	5,032	8,494
Accretion on asset retirement obligation	23	33
Change in fair value of warrant liabilities	(2,830)	947
Amortization of debt discount and interest accrual	246	239
Product upgrade reserve	—	600
Changes in operating assets and liabilities:		
Accounts receivable	(6,343)	(4,800)
Inventory	3,640	2,783
Deposits on purchased inventory	(2,375)	(466)
Deferred cost of revenue	(2,097)	(356)
Prepaid expenses and other assets	(4,739)	420
Accounts payable	8	(2,391)
Accrued expenses and other long-term liabilities	(8,247)	(6,130)
Customer deposits and deferred revenue	9,827	(585)
Net cash used in operating activities	(32,385)	(26,307)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,218)	(336)
Net cash used in investing activities	(1,218)	(336)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from common stock public offering, gross	—	57,385
Payment of offering costs related to common stock public offering	—	(3,991)
Proceeds from the exercise of stock options	56	19
Proceeds from the exercise of warrants	—	2
Payments for taxes related to net share settlement of equity awards	(1,604)	(1,473)
Net cash (used in) provided by financing activities	(1,548)	51,942
NET (DECREASE) INCREASE CASH DURING THE PERIOD	(35,151)	25,299
CASH, CASH EQUIVALENTS AND RESTRICTED CASH — BEGINNING OF PERIOD	219,808	158,180
CASH, CASH EQUIVALENTS AND RESTRICTED CASH — END OF PERIOD	$ 184,657	$ 183,479
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 819	$ 819
Cash paid for income taxes	$ —	$ —
SUPPLEMENTAL NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Fair value of common stock warrants reclassified from liability to additional paid-in capital upon exercise	$ —	$ 327
Right-of-use assets obtained in exchange for new operating lease liabilities	$ —	$ —
Transfer of property and equipment from inventory and deferred cost of revenue	$ (103)	$ —
Purchases of property and equipment in accounts payable and accrued liabilities	$ 161	$ 129

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

VIEWRAY, INC.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

NOTE 1. BACKGROUND AND ORGANIZATION

ViewRay, Inc. (“ViewRay” or the “Company”), and its wholly-owned subsidiary ViewRay Technologies, Inc., designs, manufactures and markets MRIdian, an MR Image-Guided radiation therapy system to simultaneously image and treat cancer patients.

Since inception, ViewRay Technologies, Inc. has devoted substantially all of its efforts towards research and development, initial selling and marketing activities, raising capital and the manufacturing, shipment and installation of MRIdian systems. In May 2012, ViewRay Technologies, Inc. was granted clearance from the U.S. Food and Drug Administration (“FDA”), to sell MRIdian with Cobalt-60. In November 2013, ViewRay Technologies, Inc. received its first clinical acceptance of a MRIdian with Cobalt-60 at a customer site, and the first patient was treated with that system in January 2014. ViewRay Technologies, Inc. has had the right to affix the CE mark to MRIdian with Cobalt-60 in the European Economic Area ("EEA") since November 2014. In September 2016, the Company received the rights to affix the CE mark to MRIdian Linac, and in February 2017, the Company received 510(k) clearance from the FDA to market MRIdian Linac. In February 2019, the Company received 510(k) clearance from the FDA for advancements in MRI, 8 frames per second cine, and Functional imaging (T1/T2/DWI) and High-Speed MLC. In December 2019, we received the CE mark for these advancements in the EEA. In December 2021, the Company received 510(k) clearance from the FDA on its recent submission for new MRIdian features (MRIdian A3i) focused on enhancing on-table adaptive workflow efficiency and expanding clinical utility.

The Company’s condensed consolidated financial statements have been prepared on the basis of the Company continuing as a going concern for a reasonable period of time. The Company’s principal sources of liquidity are cash flows from public and private offerings and available borrowings under its term loan agreement, as well as cash receipts from its sales of MRIdian systems. These have historically been sufficient to meet working capital needs, capital expenditures, operating expenses, and debt service obligations. During the three months ended March 31, 2022, the Company incurred a net loss from operations of $27.5 million and net cash used in operations of $32.4 million. The Company believes that its existing cash balance of $180.1 million as of March 31, 2022, together with anticipated cash proceeds from sales of MRIdian systems, will be sufficient to provide liquidity to fund its obligations for at least the next 12 months.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”), and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). The condensed consolidated financial statements include the accounts of ViewRay, Inc. and its wholly-owned subsidiary, ViewRay Technologies, Inc. All inter-company accounts and transactions have been eliminated in consolidation.

In the opinion of management, all adjustments, including normal recurring adjustments, considered necessary for a fair presentation of the Company’s unaudited condensed consolidated financial statements, have been included. The results of operations for the three months ended March 31, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022 or any future period. These unaudited condensed consolidated financial statements and their notes should be read in conjunction with the audited consolidated financial statements and related notes included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Significant Accounting Policies

The significant accounting policies used in preparation of these condensed consolidated financial statements are disclosed in the notes to consolidated financial statements included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2021 filed with the SEC on February 25, 2022, and have not changed significantly since that filing.

NOTE 3. BALANCE SHEET COMPONENTS

Property and Equipment, Net

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

	March 31, 2022	December 31, 2021
Prototype	$ 17,730	$ 17,730
Machinery and equipment	17,701	17,701
Leasehold improvements	14,088	14,088
Furniture and fixtures	1,295	1,295
Software	1,389	1,389
Construction in progress	2,755	1,397
Property and equipment, gross	54,958	53,600
Less: accumulated depreciation and amortization	(34,601)	(33,358)
Property and equipment, net	$ 20,357	$ 20,242

Depreciation and amortization expense related to property and equipment was $1.2 million and $1.5 million during the three months ended March 31, 2022 and 2021, respectively.

Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Accrued payroll and related benefits	$ 7,760	$ 17,080
Accrued accounts payable	4,420	3,740
Payroll withholding tax, sales and other tax payable	1,044	1,094
Accrued legal, accounting and professional fees	1,354	230
Product upgrade reserve	2,500	2,500
Other	1,349	1,911
Total accrued liabilities	$ 18,427	$ 26,555

Deferred Revenue

Deferred revenue consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Deferred revenue:		
Product	$ 1,721	$ 1,322
Service	18,338	15,385
Distribution rights	1,327	1,445
Total deferred revenue	21,386	18,152
Less: current portion of deferred revenue	(13,879)	(13,920)
Noncurrent portion of deferred revenue	$ 7,507	$ 4,232

Other Long-Term Liabilities

Other long-term liabilities consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Accrued interest, noncurrent portion	$ 865	$ 704
Asset retirement obligation	985	962
Other accrued costs	981	981
Total other-long term liabilities	$ 2,831	$ 2,647

NOTE 4. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Level 1—Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities traded in active markets.

Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3—Inputs that are generally unobservable. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

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

The Company's financial instruments that are carried at fair value mainly consist of Level 1 assets and Level 3 liabilities. Level 1 assets include highly liquid bank deposits and money market funds, which were not material at March 31, 2022 and December 31, 2021. Level 3 liabilities that are measured on a recurring basis relate to the 2017 and 2016 Placement Warrants, as described in Note 9. Placement warrant liabilities are valued using the Black-Scholes option-pricing model. Generally, increases (decreases) in the fair value of the underlying stock, volatility and estimated term would result in a directionally similar impact to the fair value of the warrants (see Note 9). During the three months ended March 31, 2022, no warrants were exercised. During the three months ended March 31, 2021, warrants to purchase 113,161 shares of common stock were exercised and the aggregate fair value upon exercise of $0.3 million was reclassified from liabilities to additional paid-in-capital.

The gains and losses from re-measurement of Level 3 financial liabilities are recorded as part of other (expense) income, net in the condensed consolidated statements of operations and comprehensive loss. During the three months ended March 31, 2022 and 2021, the Company recorded a gain of $2.8 million and a loss of $0.9 million, respectively, related to the change in fair value of the 2017 and 2016 Placement Warrants. There were no transfers between Level 1, Level 2 and Level 3 in any periods presented.

The following table sets forth the fair value of the Company's financial liabilities by level within the fair value hierarchy (in thousands):

	At March 31, 2022			
	Level 1	Level 2	Level 3	Total
2017 Placement Warrants Liability	$ —	$ —	$ 2,957	$ 2,957
2016 Placement Warrants Liability	—	—	1,008	1,008
Total	$ —	$ —	$ 3,965	$ 3,965

	At December 31, 2021			
	Level 1	Level 2	Level 3	Total
2017 Placement Warrants Liability	$ —	$ —	$ 5,030	$ 5,030
2016 Placement Warrants Liability	—	—	1,765	1,765
Total	$ —	$ —	$ 6,795	$ 6,795

The following table sets forth a summary of the changes in fair value of the Company's Level 3 financial liabilities (in thousands):

	Three Months Ended March 31,	
	2022	2021
Fair value, beginning of period	$ 6,795	$ 4,864
Change in fair value of Level 3 financial liabilities	(2,830)	947
Fair value of 2016 Placement Warrants at exercise	—	(2)
Fair value of 2017 Placement Warrants at exercise	—	(325)
Fair value, end of period	$ 3,965	$ 5,484

NOTE 5. DEBT

SVB Term Loan

In December 2018, the Company entered into a term loan agreement with Silicon Valley Bank (the "SVB Term Loan"). On December 31, 2019, the Company entered into the First Amendment to the SVB Term Loan. On October 30, 2020, the Company entered into the Second Amendment to the SVB Term Loan. On October 29, 2021, the Company entered into the Third Amendment to the SVB Term Loan.

As of March 31, 2022, the Company had $58.0 million outstanding under the SVB Term Loan.

Borrowings under the SVB Term loan bear interest at the greater of (i) a floating rate of 2.4% above the Prime Rate; or (ii) a fixed rate of 5.65%, and is payable monthly.

Beginning on November 1, 2022, borrowings under the SVB Term Loan amortize in thirty-six equal monthly payments. The final payment is equal to 3.7% of the aggregate principal amount. The maturity date of the SVB Term Loan is October 1, 2025.

The SVB Term Loan requires that the Company maintain a minimum cash balance in accounts at Silicon Valley Bank or one of its affiliates or else comply with a liquidity ratio and/or a minimum revenue financial covenant. The SVB Term Loan is secured by substantially all assets of the Company, except that the collateral does not include any intellectual property held by the Company, provided, however, the collateral does include all accounts and proceeds of such intellectual property.

The SVB Term Loan contains customary representations and warranties and customary affirmative and negative financial and nonfinancial covenants applicable to the Company and its subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, mergers, dispositions, prepayment of other indebtedness, dividends and other distributions and transactions with affiliates.

The SVB Term Loan is subject to prepayment premiums of 3.5% for the first 30 months of the term and 2.50% thereafter for the remaining term, for amounts prepaid under the SVB Term Loan prior to the maturity date thereof, subject to certain exceptions.

The SVB Term Loan includes standard events of default, including, among other things, subject in certain cases to customary grace periods, thresholds and notice requirements, the Company's failure to fulfill its obligations under the SVB Term Loan or the occurrence of a material adverse change in the Company's business, operations, or condition (financial or otherwise). In the event of default by the Company under the SVB Term Loan, Silicon Valley Bank would be entitled to exercise its remedies thereunder, including the right to accelerate the debt, upon which the Company may be required to repay all amounts then outstanding under the SVB Term Loan, which could harm the Company's financial condition.

The Company's scheduled future payments on the SVB Term Loan at March 31, 2022 are as follows (in thousands):

Year Ended December 31,		
The remainder of 2022	$	3,222
2023		19,333
2024		19,333
2025		16,112
Total future principal payments		58,000
Less: unamortized debt discount		(662)
Carrying value of long-term debt		57,338
Less: current portion		(8,056)
Long-term portion	$	49,282

NOTE 6. COMMITMENTS AND CONTINGENCIES

Legal Proceedings

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

Class Action Litigation

On September 13, 2019, a class action complaint for violation of federal securities laws was filed in U.S. District Court for the Northern District of Ohio against the Company, its chief executive officer, chief scientific officer, and former chief financial officer. On December 19, 2019, the court appointed Plymouth County Retirement Association as the lead plaintiff, and on February 28, 2020 the lead plaintiff filed an amended complaint asserting securities fraud claims against the Company, its chief executive officer, chief operating officer, chief scientific officer, and former chief executive officer and former chief financial officer. Now captioned Plymouth County Retirement Association v. ViewRay, Inc., et al., the amended complaint alleges that the Company violated federal securities laws by issuing materially false and misleading statements that failed to disclose adverse facts concerning the Company's business, operations, and financial results, and seeks damages, interest, and other relief. On August 25, 2021, the District Court dismissed the lead plaintiff's second amended complaint, with prejudice. On September 17, 2021, the lead plaintiff filed notice of its intent to appeal the District Court's opinion and order dismissing the complaint to the Sixth Circuit Court of Appeals. The appeal is fully briefed and pending before the Sixth Circuit Court of Appeals. The Company believes the appeal is without merit and intends to vigorously defend the litigation.

Stockholder Derivative Lawsuit

On July 22, 2020, a stockholder derivative lawsuit, captioned Gile derivatively on behalf of ViewRay, Inc. v. ViewRay Inc., et al., was filed against ViewRay (as a nominal defendant) and certain of its current and former officers and directors in the U.S. District Court for the Northern District of Ohio. This action alleges, purportedly on behalf of ViewRay, that the officers and directors violated Section 14(a) of the Securities Exchange Act of 1934, as amended, breached their fiduciary duties, wasted corporate assets, and were unjustly enriched based on factual assertions substantially similar to those in the class action complaint described above. The complaint seeks, among other things, damages awarded to ViewRay, restitution and disgorgement of profits in an unspecified amount, and corporate reforms. Due to the overlap between the allegations in the derivative complaint and those in the putative securities class action complaint, this lawsuit is presently stayed, pending a decision on the appeal by the Sixth Circuit Court of Appeals.

Given the early stage of each of the litigation matters described above, at this time the Company is unable to reasonably estimate possible losses or form a judgment that an unfavorable outcome is either probable or remote. However, litigation is subject to inherent uncertainties, and one or more unfavorable outcomes in any claim or litigation against the Company could have a material adverse effect in the period in which they are resolved and on the Company's business generally. In addition, regardless of their merits or their ultimate outcomes, lawsuits and legal proceedings are costly, divert management attention and may materially adversely affect the Company's reputation, even if resolved in the Company's favor.

Purchase Commitments

At March 31, 2022, the Company had $6.6 million in outstanding firm purchase commitments.

NOTE 7. REVENUE

The Company derives revenue primarily from the sale of MRIdian systems and related services as well as support and maintenance services on sold systems. Revenue is categorized as product revenue, service revenue and distribution rights revenue.

The following table presents revenue disaggregated by type and geography (in thousands):

	Three Months Ended March 31,	
	2022	2021
U.S.		
Product	$ 432	$ 5,067
Service	3,099	2,367
Total U.S. revenue	$ 3,531	$ 7,434
Outside of U.S. ("OUS")		
Product	$ 12,994	$ 6,312
Service	2,232	1,660
Distribution rights	119	119
Total OUS revenue	$ 15,345	$ 8,091
Total		
Product	$ 13,426	$ 11,379
Service	5,331	4,027
Distribution rights	119	119
Total revenue	$ 18,876	$ 15,525

Arrangements with Multiple Performance Obligations

The Company frequently enters into sales arrangements that include multiple performance obligations. Such performance obligations mainly consist of (i) sale of MRIdian systems, which generally includes installation and embedded software, and (ii) product support, which includes extended service and maintenance. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price. The standalone selling price (“SSP”), is determined based on observable prices at which the Company separately sells the products and services. If an SSP is not directly observable, the Company will estimate the SSP considering market conditions or internally approved pricing guidelines related to the performance obligations.

Product Revenue

Product revenue is derived primarily from the sales of MRIdian systems. The system contains both software and non-software components that together deliver essential functionality.

For contracts in which control of the system transfers upon delivery and inspection, the Company recognizes revenue for the systems at the point in time when delivery and inspection by the customer has occurred. For these same contracts, the Company recognizes installation revenue over the period of installation as the installation services are performed and control is transferred to the customer. For all contracts in which control transfers upon post-installation customer acceptance, revenue for the system and installation are recognized upon customer acceptance.

Certain customer contracts with distributors do not require ViewRay to complete installation at the ultimate user site, and the distributors may either perform the installation themselves or hire another party to perform the installation. For sales of MRIdian systems for which the Company is not responsible for installation, revenue recognition generally occurs when the entire system is shipped, which is when the control of the system is transferred to the customer.

Service Revenue

Service revenue is derived primarily from maintenance services. The maintenance and support service is a stand-ready obligation which is performed over the term of the arrangement and, as a result, service revenue is recognized ratably over the service period as the customers benefit from the service throughout the service period.

Distribution Rights Revenue

In December 2014, the Company entered into a distribution agreement with Itochu Corporation pursuant to which it appointed Itochu as its exclusive distributor for the promotion, sale and delivery of its MRIdian products within Japan. In consideration of the exclusive distribution rights granted, the Company received $4.0 million, which was recorded as deferred revenue. Starting in August 2016, the distribution rights revenue is recognized ratably over the remaining term of the distribution agreement of approximately 8.5 years. A time-elapsed method is used to measure progress because control is transferred evenly over the remaining contractual period.

Contract Balances

The timing of revenue recognition, billings and cash collections results in short-term and long-term trade receivables, customer deposits, deferred revenues and deferred cost of revenue on the condensed consolidated balance sheets.

Trade receivables are recorded at the original invoiced amount, net of an estimated allowance for doubtful accounts. Trade credit is generally extended on a short-term basis. The Company occasionally provides for long-term trade credit for its maintenance services so that the period between when the services are rendered to its customers and when the customers pay for that service is within one year. Thus, the Company's trade receivables do not bear interest or contain a significant financing component. Long-term trade receivables of $10.3 million and $5.4 million were reported within other assets in the condensed consolidated balance sheets at March 31, 2022 and at December 31, 2021, respectively. These amounts are billed in accordance with the terms of the customer contracts to which they relate and are expected to be collected two to three years from the date of invoice as the underlying maintenance services are rendered. At times, billing occurs subsequent to revenue recognition, resulting in an unbilled receivable which represents a contract asset. This contract asset is recorded as an unbilled receivable and reported as part of accounts receivable on the consolidated balance sheets.

Trade receivables are periodically evaluated for collectability based on past credit history of the respective customers and their current financial condition. Changes in the estimated collectability of trade receivables are included in the results of operations for the period in which the estimate is revised. Trade receivables that are deemed uncollectible are offset against the estimated allowance for credit losses. The Company generally does not require collateral for trade receivables. There were no estimated allowances for credit losses recorded at March 31, 2022 or December 31, 2021.

Customer deposits represent payments received in advance of system installation. For domestic and international sales, advance payments received prior to inventory shipments are recorded as customer deposits. Advance payments are subsequently reclassified to deferred revenue upon inventory shipment. All customer deposits, including those that are expected to be a deposit for more than one year, are classified as current liabilities based on consideration of the Company's normal operating cycle (the time between acquisition of the inventory components and the final cash collection from customers on these inventory components) which is in excess of one year.

Deferred revenue consists of deferred product revenue and deferred service revenue. Deferred product revenue arises from timing differences between the fulfillment of contract obligations and satisfaction of all revenue recognition criteria consistent with the Company's revenue recognition policy. Deferred service revenue results from the advance billing for services to be delivered over a period of time. Deferred revenues expected to be realized within one year or normal operating cycle are classified as current liabilities.

Deferred cost of revenue consists of cost for inventory items that have been shipped, but revenue recognition has not yet occurred. Deferred cost of revenue is included as part of current assets as the corresponding deferred product revenue is expected to be realized within one year or the Company's normal operating cycle.

During the three months ended March 31, 2022 and 2021, the Company recognized $4.5 million and $4.2 million of revenue that was included in the deferred revenue balance at the beginning of the reporting period, respectively.

Variable Consideration

The Company records revenue from customers in an amount that reflects the transaction price it expects to be entitled to after transferring control of those goods or services. The Company estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting period for any changes. There were no amounts recognized during the three months ended March 31, 2022 from performance obligations satisfied in the prior period.

NOTE 8. EQUITY FINANCING

Public Offering of Common Stock

On January 4, 2021, the Company entered into an underwriting agreement with Piper Sandler & Co., as representative of the several underwriters named therein, with respect to the issuance and sale of 11,856,500 shares of our common stock, which included the full exercise of the underwriters' option to purchase additional shares, at a price to the public of $4.85 per share. The Company completed the offering on January 7, 2021 and received net proceeds of approximately $53.5 million, after deducting the underwriting discounts and commissions and estimated offering expenses payable by the Company.

On November 16, 2021, the Company entered into an underwriting agreement with Piper Sandler & Co. and Stifel, Nicolaus & Company, Incorporated, as representatives of the several underwriters named therein, with respect to the issuance and sale by the Company of 14,375,000 shares of our common stock, which included the full exercise of the underwriters' option to purchase additional shares, at a price to the public of $5.60 per share. The Company completed the offering on November 18, 2021, and received net proceeds of approximately $75.1 million, after deducting the underwriting discounts and commissions and estimated offering expenses payable by the Company.

NOTE 9. WARRANTS

Equity Classified Common Stock Warrants

In connection with a March 2018 direct registered offering (the "March 2018 Direct Registered Offering"), the Company issued (i) 4,090,000 shares of its common stock; (ii) 3,000,581 shares of its Series A convertible preferred stock and (iii) warrants to purchase 1,418,116 shares of common stock at an exercise price of $8.31 per share (the "2018 Offering Warrants"). The 2018 Offering Warrants became exercisable upon issuance and expire in March 2025. None of the 2018 Offering Warrants have been exercised to date and they all remained outstanding at March 31, 2022.

As separate classes of securities were issued in a bundled transaction, the gross proceeds from the March 2018 Direct Registered Offering of $59.1 million were allocated to common stock, Series A convertible preferred stock and the 2018 Offering Warrants based on their respective relative fair value upon issuance. The aggregate fair value of the 2018 Offering Warrants of $7.4 million was estimated using the Black-Scholes option-pricing model with the following assumptions:

	Upon Issuance
Common Stock Warrants:	
Expected term (in years)	7.0
Expected volatility (%)	62.5%
Risk-free interest rate (%)	2.8%
Expected dividend yield (%)	0%

The allocated proceeds from the 2018 Offering Warrants of $6.6 million were recorded in additional paid-in-capital.

Liability Classified Common Stock Warrants

In connection with private placement offerings in 2016 and 2017 (the "2016 and 2017 Private Placements"), the Company issued warrants that provide the warrant holder the right to purchase 1,720,512 and 1,380,745 shares of common stock (the "2017 and 2016 Placement Warrants", respectively). The 2017 and 2016 Placement Warrants contain protection whereby the warrant holders will have the right to receive cash in the amount equal to the Black-Scholes value of the warrants upon the occurrence of a change of control, as defined in the warrant agreement. The 2017 and 2016 Placement Warrants were accounted for as a liability at the date of issuance and are adjusted to fair value at each balance sheet date, with the change in fair value recorded as a component of other (expense) income, net in the condensed consolidated statements of operations and comprehensive loss.

The key terms of the 2017 and 2016 Placement Warrants are as follows:

	Issuance Date	Term	Exercise Price Per Share	Warrants Exercised during the nine months ended March 31, 2022	Warrants Outstanding at March 31, 2022
2017 Placement Warrants	January 2017	7 years	$ 3.17	—	1,500,022
2016 Placement Warrants	August and September 2016	7 years	$ 2.95	—	536,711
Total				—	2,036,733

During the three months ended March 31, 2022 and 2021, the Company recorded a gain of $2.8 million and a loss of $0.9 million, respectively, related to the change in fair value of the 2017 and 2016 Placement Warrants. The fair value of the 2017 and 2016 Placement Warrants at March 31, 2022 and December 31, 2021, respectively, was estimated using the Black-Scholes option-pricing model and the following weighted-average assumptions:

	2017 Placement Warrants		2016 Placement Warrants	
	March 31, 2022	December 31, 2021	March 31, 2022	December 31, 2021
Expected term (in years)	1.8	2.0	1.4	1.6
Expected volatility	85.0 %	86.0 %	84.6 %	85.5 %
Risk-free interest rate	2.2 %	0.4 %	1.9 %	0.3 %
Expected dividend yield	— %	— %	— %	— %

NOTE 10. STOCK-BASED COMPENSATION

As of March 31, 2022, the Company had an active stock-based incentive compensation plan, an employee stock purchase plan and an equity inducement plan: the 2015 Equity Incentive Award Plan (as amended and restated, the “2015 Plan”), the 2015 Employee Stock Purchase Plan (as amended and restated, the “ESPP”), and the 2018 Equity Inducement Award Program (the “2018 Plan”), respectively. All new equity compensation grants are issued under these three plans; however, outstanding awards previously issued under inactive plans will continue to vest and remain exercisable in accordance with the terms of the respective plans.

The 2015 Plan and the 2018 Plan provide for the grant of stock and stock-based awards including stock options, restricted stock units (including deferred stock units), performance-based stock units, and stock appreciation rights. As of March 31, 2022, there were 2.6 million shares available for grant under the 2015 Plan and 2018 Plan. Subsequently, in April 2022, the Company's board of directors determined that the 2018 Plan was no longer required under ViewRay’s compensation program and terminated the 2018 Plan. No further awards will be granted under this plan and no such awards have been granted since August 16, 2021. As a result, all 1.5 million shares previously available for issuance under the 2018 Plan have been restored to the Company’s general authorized but unissued share reserve and are no longer set aside for grants under the 2018 Plan.

Stock-Based Compensation Expense

Total stock-based compensation expense recognized in the Company’s condensed consolidated statements of operations and comprehensive loss is classified as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Cost of revenue	$ 176	$ 236
Research and development	724	637
Selling and marketing	693	295
General and administrative	3,439	7,326
Total stock-based compensation expense	$ 5,032	$ 8,494

The Company’s stock-based compensation expense is based on the value of the portion of share-based payment awards that are ultimately expected to vest, assuming estimated forfeitures at the time of grant. Stock-based compensation relating to stock-based awards granted to consultants was insignificant for the three months ended March 31, 2022 and 2021.

Restricted Stock Units, Deferred Stock Units and Performance Share Units (collectively “Incentive Stock Units” or “ISUs”)

The Company grants restricted stock units, deferred stock units, and performance stock units (collectively "Incentive Stock Units" or "ISUs").

Restricted Stock Units ("RSUs") are granted to the Company's board of directors and employees for their services. Deferred Stock Units ("DSUs") are granted to the Company's board of directors at their election in lieu of retainer and committee service fees. The DSUs granted to board members are either fully vested upon issuance or vest over a period of time from the grant date and will be released and settled upon termination of the board member’s services, the occurrence of a change in control event, or the tenth anniversary of the grant date. The RSUs and DSUs granted to employees and/or board members vest in equal annual or monthly installments over one to three years from the grant date and are subject to the participants continuing service to the Company over that period.

Performance share units (“PSUs”) are granted to the Company’s employees which vest based on the achievement of performance targets set by the Company based on a three-year performance period.

The grant date fair values of ISUs are based on the closing market price of our common stock on the grant date. Stock-based compensation expense, net of forfeitures, is recognized on a straight-line basis over the requisite service period. For PSUs, compensation expense is updated for the Company’s expected performance level against performance goals at the end of each reporting period, which involves judgment as to achievement of certain performance metrics. More specifically, achievement of a compound annual revenue growth rate will result in a percentage payout of the target PSUs awarded. If the Company’s compound annual revenue growth rate is between threshold and target or between target and maximum, payouts will be linearly interpolated.

The table below summarizes the Company’s activity and related information for its ISUs:

	RSUs and DSUs		PSUs	
	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2021	5,536,925	$ 4.04	707,088	$ 4.66
ISUs granted	1,847,172	$ 4.21	1,600,549 (1)	$ 4.25
ISUs vested	(1,573,992)	$ 4.05	—	$ —
ISUs forfeited	(117,372)	$ 4.01	(4,756)	$ 4.66
Unvested at March 31, 2022	5,692,733	$ 4.07	2,302,881	$ 4.38
Vested and unreleased	198,856		—	
Outstanding at March 31, 2022	5,891,589		2,302,881	

(1) Includes PSUs granted in 2021 assuming a 150% payout.

The total grant date fair value of ISUs awarded was $12.9 million and $13.5 million for the three months ended March 31, 2022 and 2021, respectively. The total fair value of ISUs vested was $6.9 million, and $5.5 million during the three months ended March 31, 2022 and 2021, respectively.

At March 31, 2022, total unrecognized stock-based compensation cost related to ISUs, net of estimated forfeitures, was $23.4 million, which is expected to be recognized over a weighted-average period of 2.1 years. As of March 31, 2022, 6.9 million shares of ISUs are expected to vest.

Stock Options

Stock options awards are generally granted with an exercise price equal to the market price of the Company’s common stock at the date of grant and with a four-year vesting schedule. Stock option awards generally expire 10 years from the date of grant.

A summary of the Company's stock option activity and related information is as follows:

	Number of Stock Options Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
				(In thousands)
Options outstanding at December 31, 2021	7,156,776	$ 6.97	6.1	$ 5,203
Options granted	—	—		
Options exercised	(19,292)	$ 2.91		
Options cancelled or forfeited	(133,995)	$ 8.18		
Options outstanding at March 31, 2022	7,003,489	$ 6.96	5.9	$ 2,651
Options exercisable at March 31, 2022	6,117,485	$ 7.06	5.7	$ 2,038
Options vested and expected to vest at March 31, 2022	6,938,310	$ 6.99	5.8	$ 2,560

There were no options granted to employees for the three months ended March 31, 2022 and 2021.

Aggregate intrinsic value represents the difference between the estimated fair value of the underlying common stock and the exercise price of outstanding, in-the-money options. The aggregate intrinsic value of options exercised was nominal for the three months ended March 31, 2022 and 2021.

At March 31, 2022, total unrecognized stock-based compensation cost related to stock options granted to employees, net of estimated forfeitures, was $2.9 million, which is expected to be recognized over a weighted-average period of 1.2 years.

The determination of the fair value of stock options on the date of grant using an option-pricing model is affected by the estimated fair value of the Company's common stock, as well as assumptions regarding a number of complex and subjective variables. The variables used to calculate the fair value of stock options using the Black-Scholes option-pricing model include actual and projected employee stock option exercise behaviors, expected price volatility of the Company's common stock, the risk-free interest rate and expected dividends. Each of these inputs is subjective and generally requires significant judgment to determine.

The risk-free interest rate is based on the zero-coupon U.S. Treasury notes, with maturities similar to the expected term of the options. The Company has not paid and does not anticipate paying cash dividends on its common stock; therefore, the expected dividend yield is assumed to be zero.

The forfeiture rate of stock options is estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures have been estimated by the Company based upon historical and expected forfeiture experience.

Employee Stock Purchase Plan

In July 2015, the Company adopted the ESPP. Certain employees, as defined by the ESPP, are eligible to participate in the ESPP if employed by the Company for at least 20 hours per week during at least five months per calendar year. Participating employees may contribute up to the lesser of 15% of their eligible earnings or $30,000 during each offering period, provided that in no event shall a participating employee be permitted to purchase more than 3,000 shares of common stock during each offering period.

During 2022, the first offering period provided to eligible employees is January 1, 2022 through June 30, 2022. The purchase price of common stock purchased under the ESPP is currently equal to 85% of the lesser of the fair market value of a share of common stock on: (1) the first trading day of an offering period and (2) the last trading of each offering period. At March 31, 2022, 3.5 million shares were reserved for issuance under the ESPP. No more than 3.5 million shares of common stock may be issued under the ESPP. As of March 31, 2022, 0.3 million shares have been issued under the ESPP and 3.2 million shares remained available for future issuance under the ESPP. Purchase rights granted under the ESPP are valued using the Black-Scholes pricing model.

NOTE 11. INCOME TAX

Due to the current operating losses, the Company recorded zero income tax expense during the three months ended March 31, 2022 and 2021, respectively. During these periods, the Company's activities were limited to U.S. federal and state tax jurisdictions, as it does not have any significant foreign operations.

Due to the Company's history of cumulative losses and after considering all the available objective evidence, management concluded that it is not more likely than not that all of the Company's net deferred tax assets will be realized in the future. Accordingly, the Company's deferred tax assets, which include net operating loss ("NOL"), carryforwards and tax credits related primarily to research and development, continue to be subject to a valuation allowance as of March 31, 2022. The Company expects to continue to maintain a full valuation allowance until there is sufficient evidence to support recoverability of its deferred tax assets.

The Company had unrecognized tax benefits of $3.5 million and $3.4 million at March 31, 2022 and December 31, 2021, respectively. The reversal of the uncertain tax benefits would not affect the effective tax rate to the extent that the Company continues to maintain a full valuation allowance against its deferred tax assets. Unrecognized tax benefits may change during the next 12 months for items that arise in the ordinary course of business.

Interest and/or penalties related to income tax matters are recognized as a component of income tax expense. At March 31, 2022 and December 31, 2021, there were no accrued interest and penalties related to uncertain tax positions.

NOTE 12. NET LOSS PER SHARE

Diluted earnings per share ("EPS") includes the dilutive effect of common stock equivalents and is computed using the weighted-average number of common stock and common stock equivalents outstanding during the reporting period. Diluted EPS for the periods ended March 31, 2022 and 2021 excluded common stock equivalents because the effect of their inclusion would be anti-dilutive or would decrease the reported loss per share. The following table sets forth securities outstanding that could potentially dilute the calculation of diluted earnings per share:

	For the three months ended March 31,	
	2022	2021
Stock options outstanding	7,003,489	8,096,905
Warrants to purchase common stock - liability classified	2,036,733	2,042,992
Warrants to purchase common stock - equity classified	1,418,116	1,418,116
Unvested restricted stock units	7,995,614	9,217,496
Total	18,453,952	20,775,509

NOTE 13. RELATED PARTY TRANSACTIONS

Hudson Cooperation Agreement

Pursuant to the Cooperation Agreement with Hudson Executive Capital LP and certain of its affiliates (collectively, "Hudson"), the Company concurrently entered into a Consulting Agreement with Sai Nanduri, a Senior Investment Analyst and representative of Hudson, pursuant to which the Company expects to pay Mr. Nanduri $160,000 during 2022 and will consider Mr. Nanduri as a candidate for election to the Board at the 2023 annual meeting of shareholders.

License Agreement with University of Florida Research Foundation, Inc.

In December 2004, the Company entered into a licensing agreement with the University of Florida Research Foundation ("UFRF") whereby UFRF granted the Company a worldwide exclusive license to certain of UFRF's patents in exchange for 33,652 shares of common stock and a 1% royalty, with a minimum $0.1 million royalty payment per quarter, from sales of products developed and sold by the Company utilizing the licensed patents. Minimum royalty payments in any calendar year are credited against earned royalties for such calendar year. Royalty expenses based on 1% of net sales were nominal and $0.1 million during the three months ended March 31, 2022 and 2021, respectively, and were recorded as product cost of revenue.

Distribution Agreement with Chindex Shanghai International Trading Company Limited

In November 2019, the Company entered into a distribution agreement with Chindex Shanghai International Trading Company Limited ("Chindex") which became effective in February 2020. Chindex is a subsidiary of Fosun International Limited ("Fosun").

Under the distribution agreement, Chindex will act as the Company's distributor and regulatory agent for the sale and delivery of its MRIdian products within the People's Republic of China, excluding Hong Kong, Macau and Taiwan. The distribution agreement has an initial term of five years with an option to renew for an additional five years. Under the distribution agreement, the Company will supply its products and services to Chindex based on an agreed upon price

between the Company and Chindex. In accordance with the agreement, Chindex agreed to pay ViewRay an upfront fee, portions of which may be refundable under certain conditions, of $3.5 million, payable in three installments: (i) the first installment of $1.5 million due approximately 60 days after the effectiveness of the distribution agreement; (ii) the second installment of $1.0 million due on the first anniversary from the effective date of the agreement; and (iii) the third installment of $1.0 million due on the second anniversary from the effective date of the agreement. The Company has received the first and second installments of this payment as of March 31, 2022.

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

The interim financial statements included in this Quarterly Report on Form 10-Q and this Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the financial statements and notes thereto for the year ended December 31, 2021, and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, contained in the Annual Report filed with the SEC on February 25, 2022. In addition to historical information, this discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These forward-looking statements are subject to risks and uncertainties, including those under "Risk Factors" in this Quarterly Report and the Annual Report that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements.

Unless otherwise indicated, references in this section to "ViewRay," "we," "us," "our" and the "Company" refer to ViewRay, Inc. and its consolidated subsidiary, ViewRay Technologies, Inc.

The following discussion highlights our results of operations and the principal factors that have affected our financial condition as well as our liquidity and capital resources for the periods described and provides information that management believes is relevant for an assessment and understanding of the statements of financial condition and results of operations presented herein. The following discussion and analysis are based on our unaudited condensed consolidated financial statements contained in this Quarterly Report, which we have prepared in accordance with U.S. GAAP. You should read the discussion and analysis together with such condensed consolidated financial statements and the related notes thereto.

Company Overview

ViewRay, Inc. designs, manufactures, and markets the MRIdian® MRI-Guided Radiation Therapy System. MRIdian is built upon a proprietary high-definition magnetic resonance ("MR") imaging system designed from the ground up to address the unique challenges and clinical workflow for advanced radiation oncology. Unlike MR systems used in diagnostic radiology, MRIdian's high-definition MR was purpose-built to address specific challenges, including beam distortion, skin toxicity, and other concerns that may arise when high magnetic fields interact with radiation beams. The MRIdian MR-Guided Radiation Therapy System integrates diagnostic-quality MR imaging with radiation therapy delivery to enable on-table adaptive treatments with real-time tissue tracking and automatic beam gating. MRIdian supports the delivery of ablative radiation doses in five or fewer fractions, without implantable markers resulting in lower toxicities in hard-to-treat cancers. There are two generations of the MRIdian: the first generation MRIdian with Cobalt-60 based radiation beams and the second generation MRIdian Linac, with more advanced linear accelerator or 'linac' based radiation beams. MRIdian with Cobalt-60 is no longer commercially available.

MRIdian was designed to address the key limitations of existing external-beam radiation therapy technologies. MRIdian employs MRI-based technology to provide real-time imaging that clearly defines the targeted tumor from the surrounding soft tissue and other critical organs, both before and during radiation treatment delivery. We believe this combination of enhanced anatomical visualization and accurate dose calculation and delivery will improve the safety and efficacy of radiation therapy, leading to better outcomes for patients suffering from cancer.

Both generations of the MRIdian have received 510(k) marketing clearance from the U.S. Food and Drug Administration, ("FDA") and permission to affix the Conformité Européene, ("CE") mark.

- We received initial 510(k) marketing clearance from the FDA for our treatment planning and delivery software in January 2011.
- We received 510(k) marketing clearance for MRIdian, with Cobalt-60 as the radiation source, in May 2012.
- In August 2016, we received regulatory approval from the Japanese Ministry of Health, Labor and Welfare to market MRIdian with Cobalt-60 in Japan as well as from the China Food and Drug Administration to market MRIdian with Cobalt-60 in China.
- In September 2016, we received the CE mark for the MRIdian Linac (with a linear accelerator as the radiation source) in the European Economic Area ("EEA").
- In February 2017, we received 510(k) marketing clearance from the FDA to market MRIdian Linac in the United States ("U.S.").
- In June 2017, we received 510(k) marketing clearance to market RayZR™, our high-resolution beam-shaping multi-leaf collimator, or MLC. We also received MRIdian Linac regulatory approval in Taiwan and Canada in August 2017, and in Israel in November 2017. In March 2018, we received regulatory approval from the Japanese Ministry of Health, Labor and Welfare to market MRIdian Linac in Japan.

- In February 2019, we received 510(k) marketing clearance for advancements in MRI, 8 frames per second cine, Functional imaging (T1/T2/DWI) and High-Speed MLC. In December 2019, we received the CE mark for these advancements in the EEA.
- In December 2021, the newest version of MRIdian, MRIdian A3i, received 510(k) marketing clearance from the FDA.
- We are also seeking required regulatory approvals for MRIdian in other countries, including CE mark for the EEA.

MRIdian is the first radiation therapy solution that enables simultaneous radiation treatment delivery and real-time MRI imaging of a patient's internal anatomy. It generates high-quality images that differentiate between the targeted tumor, surrounding soft tissue and nearby critical organs. MRIdian also records the level of radiation dose that the treatment area has received, enabling physicians to adapt the prescription between treatments, as needed. We believe this improved visualization and accurate dose recording will enable better treatment, improve patient outcomes and reduce side effects. Key benefits to users and patients include: improved imaging and patient alignment; the ability to adapt the patient's radiation treatments to changes while the patient is still on the treatment table, or "on-table adaptive treatment planning"; MRI-based tissue tracking and automated beam gating; and an accurate recording of the delivered radiation dose. Physicians have already used MRIdian to treat a broad spectrum of radiation therapy patients with more than 65 different types of cancer, as well as patients for whom radiation therapy was previously not an option. Our customers have surpassed a significant milestone by treating approximately 21,000 patients on MRIdian systems to date.

At March 31, 2022, a total of 50 MRIdian systems, 2 MRIdian with Cobalt-60 systems and 48 MRIdian Linac systems, are in operation with 47 customers worldwide (22 in the United States and 25 outside the United States). In addition, 10 MRIdian Linacs have been delivered to customers that are in varying stages of deployment.

We currently market MRIdian through a direct sales force in the United States. In the rest of the world, we market MRIdian through a hybrid model of both a direct sales force and distribution network. We market MRIdian to a broad range of worldwide customers, including university research and teaching hospitals, community hospitals, private practices, government institutions and freestanding cancer centers. As with the traditional linac market, our sales and revenue cycles vary based on the particular customer and can be lengthy, sometimes lasting up to 18 to 24 months (or more) from initial customer contact to order contract execution. Following execution of an order contract, it generally takes nine to 15 months for a customer to customize an existing facility or construct a new vault. Upon the commencement of installation at a customer's facility, it typically takes approximately 45 to 60 days for us to install MRIdian and perform on-site testing of the system, including the completion of acceptance test procedures.

We generated total revenue of $18.9 million and $15.5 million and had net losses of $25.8 million and $26.7 million, during the three months ended March 31, 2022 and 2021, respectively.

We expect to continue to incur significant expenses and operating losses for the foreseeable future, as we:

- navigate our business activities through the impacts of the COVID-19 pandemic;
- continue our research and development efforts;
- seek regulatory approval for MRIdian in certain foreign countries; and
- operate as a public company.

Accordingly, we may seek to fund our operations through public or private equity, debt financings or other sources. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. Our failure to raise capital or enter into such other arrangements as and when needed would have a negative impact on our financial condition and our ability to develop enhancements to and integrate new technologies into MR Image-Guided radiation therapy systems.

Impact of the COVID-19 Pandemic

The COVID-19 pandemic and its follow-on effects have impacted and will continue to impact business activity across industries worldwide, including ViewRay.

Due to pandemic-related factors like the delays in service from our global supply chain partners and travel and quarantine restrictions imposed by government agencies and our customers in response to the spread of COVID-19, we have experienced delays in installation of systems in the United States, Asia and Europe. Similarly, our ability to conduct commercial efforts with our customers has been and is likely to continue to be disrupted as customers are reintroducing in-person sales calls. If the economic effects and travel restrictions of the COVID-19 pandemic persist, our ability to conduct

our business and access capital markets will be negatively impacted; and capital equipment sales, which make up the majority of our revenue, may take longer than other areas of the economy in a recovery, which may have a material impact on our business. The COVID-19 pandemic continues to evolve and its continued global economic impact may negatively impact our operations in areas that we are not aware of currently.

Impact of Inflation

In recent years, inflation has not had a significant impact on our operations. However, as inflation has increased over the past two quarters, we are monitoring the potential impact on our business, including product cost in connection with the parts used in our manufacturing process, freight and transportation costs, and wage pressure. Should the increase in inflation persist, it may increase the costs for conducting our operations, which could adversely impact our profitability.

New Orders and Backlog

New orders are defined as the sum of gross product orders, representing MRIdian contract price, recorded in backlog during the period. Backlog is the accumulation of all orders for which revenue has not been recognized and which we consider valid. Backlog includes customer deposits or letters of credit, except when the sale is to a customer where a deposit is not deemed necessary or customary. Deposits received are recorded in a customer deposit liability account on the balance sheet. Orders may be revised or cancelled according to their terms or upon mutual agreement between the parties. Therefore, it is difficult to predict with certainty the amount of backlog that will ultimately result in revenue. The determination of backlog includes objective and subjective judgment about the likelihood of an order contract becoming revenue. We perform a quarterly review of backlog to verify that outstanding orders in backlog remain valid, and based upon this review, orders that are no longer expected to result in revenue are removed from backlog. Among other criteria to consider for a transaction to be in backlog, we must possess both an outstanding and effective written agreement for the delivery of a MRIdian signed by a customer with a minimum customer deposit or a letter of credit requirement except when the sale is to a customer where a deposit is not deemed necessary or customary (i.e. sale to a government entity, a large hospital, group of hospitals or cancer care group that has sufficient credit, sales via tender awards, or indirect channel sales that have signed contracts with end-customers). We decide whether to remove or add back an order from or to our backlog by evaluating the following criteria: changes in customer or distributor plans or financial conditions; the customer’s or distributor’s continued intent and ability to fulfill the order contract; changes to regulatory requirements; the status of regulatory approval required in the customer’s jurisdiction, if any; the length of time the order has been on our backlog; and other reasons for potential cancellation of order contracts.

During the three months ended March 31, 2022, we received seven new orders for MRIdian systems, totaling $40.9 million. At March 31, 2022, we had total backlog of $331.0 million.

Components of Statements of Operations

Revenue

Product Revenue. Product revenue consists of revenue recognized from sales of MRIdian systems, as well as optional components, such as additional planning workstations and body coils.

Following execution of an order contract, it generally takes nine to 15 months for a customer to customize an existing facility or construct a new vault for the purchased system. Upon the commencement of installation at a customer’s facility, it typically takes approximately 45 to 60 days to complete the installation and on-site testing of the system, including the completion of customer test procedures. On-site training can take up to multiple weeks and can be conducted concurrently with installation and acceptance testing. Order contracts generally include customer deposits upon execution of the agreement, and in certain cases, additional amounts due at shipment or commencement of installation, and final payment due generally upon customer acceptance.

For new contracts in which control of the system transfers upon delivery and inspection, the Company recognizes revenue for the system at the point in time when delivery and inspection has occurred. For these same contracts, the Company recognizes installation revenue over a period of time as control of the installation services are transferred. For all contracts in which control continues to transfer upon post-installation customer acceptance, revenue for the system and installation will continue to be recognized upon customer acceptance. For sales of MRIdian systems for which we are not responsible for installation, revenue is recognized when the entire system is delivered, which is when the control of the system is transferred to the customer.

Service Revenue. Our contracts typically include service warranty at no additional costs for one year. In addition, we offer multi-year, post-installation maintenance and support contracts that provide various levels of service support, which enables our customers to select the level of on-going support services, including parts and labor, which they require. These

post-installation contracts are for a period of one to five years and provide services ranging from on-site parts and labor, and preventative maintenance to labor only with a longer response time. We also offer technology upgrades to our MRIdian systems, when and if available, for an additional fee. Service revenue is recognized ratably over the term during which the contracted services are provided.

Distribution Rights Revenue. In December 2014, we entered into a distribution agreement with Itochu Corporation ("Itochu") pursuant to which we appointed Itochu as our exclusive distributor for the promotion, sale and delivery of MRIdian products within Japan. As consideration for the exclusive distribution rights granted, we received $4.0 million, which was recorded as deferred revenue and since August 2016, distribution rights revenue has been recognized ratably over the remaining term of the distribution agreement, which expires in December 2024. A time-elapsed method is used to measure progress because the control is transferred evenly over the contractual period.

Cost of Revenue

Product Cost of Revenue. Product cost of revenue primarily consists of the cost of materials, installation and services associated with the manufacturing and installation of MRIdian systems, and royalty payments to the University of Florida Research Foundation. Product cost of revenue also includes lower of cost or net realizable value inventory ("LCNRV") adjustments if the carrying value of the inventory is greater than its net realizable value.

We expect our materials, installation and service costs to decrease as we continue to scale our operations, improve product designs and work with our third-party suppliers to lower costs.

Service Cost of Revenue. Service cost of revenue is comprised primarily of personnel costs, training and travel expenses to service and perform maintenance on installed MRIdian systems. Service cost of revenue also includes the costs of replacement parts under maintenance and support contracts.

Operating Expenses

Research and Development. Research and development expenses consist primarily of compensation and related costs for personnel, including stock-based compensation, employee benefits and travel expenses. Other significant research and development costs arise from third-party consulting services, laboratory supplies, research materials, medical equipment, computer equipment and licensed technology, and related depreciation and amortization. We expense research and development costs as incurred. We will continue to invest in improving MRIdian and developing new technologies.

Selling and Marketing. Selling and marketing expenses consist primarily of compensation and related costs for our direct sales force, sales management, and marketing and customer support personnel, and include stock-based compensation, employee benefits and travel expenses. Selling and marketing expenses also include costs related to trade shows and marketing programs. We expense selling and marketing costs as incurred.

General and Administrative. Our general and administrative expenses consist primarily of compensation and related costs for our operations, finance, human resources, regulatory, and other administrative personnel, and include stock-based compensation, employee benefits and travel expenses. In addition, general and administrative expenses include third-party consulting, legal, audit, accounting services, quality and regulatory functions and facilities costs, and gain or loss on the disposal of property and equipment.

Interest Income

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

Interest Expense

Interest expense consists primarily of interest and amortization related to our SVB Term Loan.

Other (Expense) Income, Net

Other (expense) income, net consists primarily of changes in the fair value of the 2017 and 2016 Placement Warrants and foreign currency exchange gains and losses.

The outstanding 2017 and 2016 Placement Warrants are re-measured to fair value at each balance sheet date with the corresponding gain or loss from the adjustment recorded as a component of other (expense) income, net.

Results of Operations

The following tables set forth our results of operations for the periods presented:

	Three Months Ended March 31,	
	2022	2021
	(in thousands)	
Revenue:		
Product	$ 13,426	$ 11,379
Service	5,331	4,027
Distribution rights	119	119
Total revenue	18,876	15,525
Cost of revenue:		
Product	13,766	10,685
Service	5,016	4,518
Total cost of revenue	18,782	15,203
Gross profit (loss)	94	322
Operating expenses:		
Research and development	7,870	6,510
Selling and marketing	6,884	2,848
General and administrative	12,814	15,639
Total operating expenses	27,568	24,997
Loss from operations	(27,474)	(24,675)
Interest income	5	2
Interest expense	(1,064)	(1,058)
Other (expense) income, net	2,759	(1,012)
Loss before provision for income taxes	$ (25,774)	$ (26,743)
Provision for income taxes	—	—
Net loss	$ (25,774)	$ (26,743)

Comparison of the three months ended March 31, 2022 and 2021

Revenue

	Three Months Ended March 31,		
	2022	2021	Change
	(in thousands)		
Product	$ 13,426	$ 11,379	$ 2,047
Service	5,331	4,027	1,304
Distribution rights	119	119	—
Total revenue	$ 18,876	$ 15,525	$ 3,351

Total revenue during the three months ended March 31, 2022 increased by $3.4 million compared to the same period in 2021. The increase was due to a $1.3 million increase in service revenue and a $2.0 million increase in product revenue during the three months ended March 31, 2022 compared to the same period in 2021.

Product Revenue. Product revenue increased by $2.0 million for the three months ended March 31, 2022 compared to the same period in 2021. The Company recognized revenue for three MRIdian Linac systems in the three months ended March 31, 2022 as compared to two MRIdian Linac systems during the same period in 2021.

Service Revenue. Service revenue increased by $1.3 million during the three months ended March 31, 2022 compared to the same period in 2021 primarily due to the increase in installed base.

Cost of Revenue

	Three Months Ended March 31,		
	2022	2021	Change
	(in thousands)		
Product	$ 13,766	$ 10,685	$ 3,081
Service	5,016	4,518	498
Total cost of revenue	$ 18,782	$ 15,203	$ 3,579

Product Cost of Revenue. Product cost of revenue increased by $3.1 million during the three months ended March 31, 2022 compared to the same period in 2021, primarily attributable to one additional MRIdian Linac system recognized as revenue during the three months ended March 31, 2022.

Service Cost of Revenue. Service cost of revenue increased by $0.5 million during the three months ended March 31, 2022 compared to the same period in 2021, primarily due to the increase in installed base.

Operating Expenses

	Three Months Ended March 31,		
	2022	2021	Change
	(in thousands)		
Research and development	$ 7,870	$ 6,510	$ 1,360
Selling and marketing	6,884	2,848	4,036
General and administrative	12,814	15,639	(2,825)
Total operating expenses	$ 27,568	$ 24,997	$ 2,571

Research and Development. Research and development expenses during the three months ended March 31, 2022 increased by $1.4 million compared to the same period in 2021. The increase was primarily attributable to increased personnel and consulting expenses.

Selling and Marketing. Selling and marketing expenses during the three months ended March 31, 2022 increased by $4.0 million compared to the same period in 2021. The increase was primarily attributable to an increase in personnel expenses, as well as travel and marketing related expenses for in person events during the three months ended March 31, 2022.

General and Administrative. General and administrative expenses during the three months ended March 31, 2022 decreased by $2.8 million when compared to the same period in 2021. During the three months ended March 31, 2022, there was a $4.2 million decrease in personnel, partially offset by an increase in legal expenses as well as office expenses.

Interest Income

	Three Months Ended March 31,		
	2022	2021	Change
	(in thousands)		
Interest income	$ 5	$ 2	$ 3

Interest income remained flat during the three months ended March 31, 2022 compared to the same period in 2021.

Interest Expense

	Three Months Ended March 31,		
	2022	2021	Change
	(in thousands)		
Interest expense	$ (1,064)	$ (1,058)	$ (6)

Interest expense related to the SVB Term Loan remained flat during the three months ended March 31, 2022 compared to the same period in 2021.

Other (Expense) Income, Net

	Three Months Ended March 31,		
	2022	2021	Change
	(in thousands)		
Other (expense) income, net	$ 2,759	$ (1,012)	$ 3,771

Other (expense) income, net during the three months ended March 31, 2022 consisted primarily of a $2.8 million decrease in the fair value of warrant liabilities related to the 2017 and 2016 Placement Warrants as a result of the decrease in the Company's stock price. Other (expense) income, net during the three months ended March 31, 2021 consisted primarily of a $0.9 million increase in the fair value of warrant liabilities related to the 2017 and 2016 Placement Warrants.

Liquidity and Capital Resources

Since our inception in 2004, we have incurred significant net losses and negative cash flows from operations. During the three months ended March 31, 2022 and 2021, we had net losses of $25.8 million and $26.7 million, respectively. At March 31, 2022, we had an accumulated deficit of $762.9 million.

At March 31, 2022, we had cash and cash equivalents of $180.1 million. To date, we have financed our operations principally through offerings of our capital stock, issuances of warrants, issuances of convertible promissory notes, use of term loans and receipts of customer deposits for new orders and payments from customers for systems installed and delivered. We may, from time to time, seek to raise capital through a variety of sources, including the public equity market, private equity financing, and public or private debt. We expect that our existing cash and cash equivalents, together with proceeds from the sales of MRIdian systems, will enable us to conduct our planned operations for at least the next 12 months.

In November 2021 we filed an automatically effective registration statement with the SEC that covers the offering, issuance and sale of our common stock, preferred stock, debt securities, warrants, purchase contracts and/or units in amounts to be determined.

We could potentially use our available financial resources sooner than we currently expect, and we may incur additional indebtedness to meet future operating needs. Adequate additional funding may not be available to us on acceptable terms or at all. In addition, although we anticipate being able to obtain additional financing, we may be unable to do so. Our failure to raise capital as and when needed could have significant negative consequences for our business, financial condition and results of operations. Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth in the section titled "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and in Part II, Item 1A of this report.

The following table summarizes our cash flows for the periods presented:

	Three Months Ended March 31,	
	2022	2021
	(in thousands)	
Cash used in operating activities	$ (32,385)	$ (26,307)
Cash used in investing activities	(1,218)	(336)
Cash (used in) provided by financing activities	(1,548)	51,942

Operating Activities

We have historically experienced cash outflows as we developed MRIdian with Cobalt-60 and MRIdian Linac and expanded our business. Our primary source of cash flow from operating activities is cash receipts from customers including sales of MRIdian systems and, to a lesser extent, up-front payments from customers. Our primary uses of cash from operating activities are amounts due to vendors for purchased components and employee-related expenditures.

Net cash used in operating activities for the three months ended March 31, 2022 was $32.4 million, as compared to $26.3 million for the same period in 2021. The decrease in net cash flows used in operating activities as compared to the same period in 2020 is primarily driven by changes in working capital.

Investing Activities

Cash used in investing activities for the three months ended March 31, 2022 and 2021 of $1.2 million and $0.3 million, respectively, resulted from capital expenditures to purchase property and equipment.

Financing Activities

During the three months ended March 31, 2022, financing activities used $1.5 million in cash, as compared to net cash provided by $51.9 million for the same period in 2021. The decrease in net cash flows from financing activities as compared to the same period in 2021 is primarily a result of the January 2021 public offering, partially offset by the cash used to pay taxes related to net share settlement of equity awards.

Off-Balance Sheet Arrangements and Contractual Obligations

We did not have any off-balance sheet arrangements as of March 31, 2022 and December 31, 2021. Additionally, there were no material changes to our contractual obligations described in our Annual Report on Form 10-K filed with the SEC on February 25, 2022.

For our contractual obligations that are expected to have an effect on our liquidity and cash flow, see section “Notes to Condensed Consolidated Financial Statements – Note 6 – Commitments and Contingencies” in the condensed consolidated financial statements and “Note 5 – Debt” in the condensed consolidated financial statements.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in conformity with U.S. GAAP, which requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses. We evaluate our estimates and assumptions on an ongoing basis. Our estimates and assumptions are based on historical experience and on various other factors that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

There have been no significant changes to our accounting policies during the three months ended March 31, 2022, as compared to the critical accounting policies described in our Annual Report on Form 10-K filed with the SEC on February 25, 2022. We believe that the accounting policies discussed in that Annual Report are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management’s judgments and estimates.

Recently Issued and Adopted Accounting Pronouncements

We review new accounting standards to determine the expected financial impact, if any, that the adoption of each new standard will have. For the recently issued and adopted accounting standards that we believe may have an impact on our condensed consolidated financial statements, see the section entitled “Notes to Condensed Consolidated Financial Statements – Note 2 – Summary of Significant Accounting Policies” in the condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market Risk and Risk Management

In the normal course of business, we are exposed to the impact of interest rate changes on our SVB Term Loan. See our risk factors disclosed in Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for our fiscal year ended December 31, 2021.

We monitor our market risk exposures using a sensitivity analysis. Our sensitivity analysis estimates the exposure to market risk sensitive instruments assuming a hypothetical 10% adverse change in interest rates at March 31, 2022. The results of the sensitivity analysis are summarized below. The sensitivity analysis is of limited predictive value. As a result, expenses with respect to interest rate fluctuations will depend on the exposures that arise during a future period and the prevailing interest rates.

Interest Rate Risk

We are exposed to the impact of interest rate changes on future earnings and cash flows.

Our market risk exposure relates primarily to changes in interest rates on our Credit Facility. At March 31, 2022, our SVB Term Loan bore interest at a variable rate. For more information on the SVB Term Loan see Note 5.

At March 31, 2022, the effective interest rate on our SVB Term Loan was 7.4%. Changes in interest rates can cause interest expense to fluctuate on our variable rate debt. On the basis of our sensitivity analysis, a hypothetical increase of 100 basis points (1%) in interest rates would have a $0.6 million annual impact on our interest expense.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer (“CEO”) and chief financial officer (“CFO”) has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our CEO and CFO have concluded that as of March 31, 2022, our disclosure controls and procedures are designed at a reasonable assurance level and are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such required information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control

There were no changes in our internal control over financial reporting identified in management’s evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the first quarter of 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

The information under the caption “Commitments and Contingencies” in Note 6 of the unaudited condensed consolidated financial statements of this Quarterly Report on Form 10-Q is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes in our risk factors from those disclosed in Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for our fiscal year ended December 31, 2021. If any of the risks discussed in our Annual Report on Form 10-K are realized, our business, financial condition, results of operations and prospects could be materially and adversely affected.

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

Not applicable.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits.

Exhibit Number	Description	Incorporated by Reference			Filed Herewith
		Form	Exhibit	Date Filed	
2.1	Agreement and Plan of Merger and Reorganization, dated as of July 23, 2015, by and among ViewRay Inc., Acquisition Sub and ViewRay Technologies, Inc.	S-1/A	2.1	12/16/2015	
3.1	Amended and Restated Certificate of Incorporation.	S-1/A	3.1	12/16/2015	
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation of ViewRay, Inc., dated June 11, 2021.	8-K	3.1	06/11/2021	
3.3	Second Amended and Restated Bylaws of ViewRay, Inc.	8-K	3.2	06/11/2021	
10.1	Amended and restated 2015 Equity Incentive Award Plan Performance Share Award Grant Notice	10-Q	10.1	11/5/2021	
10.2	Cooperation Agreement dated March 8, 2022, by and between ViewRay, Inc. and Hudson Executive Capital LP, on behalf of itself and certain of its affiliates (collectively, "Hudson").	8-K	10.1	03/09/2022	
10.3+	Development and Supply Agreement, effective April 4, 2022, by and between ViewRay Technologies, Inc. and Siemens Healthcare GmbH.				X
31.1	Certification of Principal Executive Officer Required under Securities Exchange Act Rule 13a-14(a) and 15d-14(a).				X
31.2	Certification of Principal Financial Officer under Securities Exchange Act Rule 13a-14(a) and 15d-14(a).				X
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. 1350 and Securities Exchange Act Rule 13a-14(b).				X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.				X
101.SCH	Inline XBRL Taxonomy Extension Schema Document				X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document				X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)				X

+ Certain confidential information contained in this exhibit has been omitted because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

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 hereunto duly authorized.

VIEWRAY, INC.

Dated: May 6, 2022	By:	/s/ Scott Drake
	Name:	Scott Drake
	Title:	Chief Executive Officer (Principal Executive Officer)
Dated: May 6, 2022	By:	/s/ Zachary Stassen
	Name:	Zachary Stassen
	Title:	Chief Financial Officer (Principal Financial Officer)

Exhibit 10.3

Development and Supply Agreement
(the "2022 Agreement")

between

ViewRay Technologies, Inc.,

- hereinafter referred to as "VIEWRAY" -

and

Siemens Healthcare GmbH

- hereinafter referred to as "SIEMENS" -

- VIEWRAY and SIEMENS hereinafter referred to individually as "PARTY" or collectively as "PARTIES" -

CONFIDENTIAL

Preamble

VIEWRAY has experience and know-how about the combination of Magnetic Resonance Imaging ("MRI") and Radiotherapy ("RT") to provide real-time beam-on imaging and targeting of tumors. In order to achieve a fast time to market for ViewRay's next generation MR guided Radiotherapy ("MRgRT") device, VIEWRAY has an interest to find an experienced partner in the field of MRI.

SIEMENS has over 40 years of experience, know-how and comprehensive intellectual property in MRI systems, solutions and services. Today, SIEMENS is the market leader in the MRI industry due to its long-standing technology and innovation leadership. To further expand this leadership position, SIEMENS is interested to support the field of Image guided Therapy.

The PARTIES intend to combine their know-how and experience for the purpose of continuing a long-term business relationship for the supply of Magnetic Resonance Imaging ("MRI") subsystems ("COMPONENTS") for MRgRT systems to provide real-time beam-on imaging and targeting of tumors.

VIEWRAY and SIEMENS have signed a Development and Supply Agreement on June 17, 2008 as amended by 11 amendments (Development and Supply Agreement and all amendments together the **("2008 Agreement").** This 2008 Agreement shall now be replaced by this Development and Supply Agreement (the **"2022 Agreement**"). Notwithstanding the foregoing,

– Amendment No. 2 (signed on April 14th 2010 and extended on April 23rd 2018 and March 9, 2020) and Amendment No. 11 (signed on September 21, 2021) shall remain unaffected and valid and the validity date of Amendment 2 shall be extended to correspond to the term of the 2022 Agreement.
and
- Amendment No. 8 (signed on September 19, 2019), Amendment No. 9 (signed on June 5, 2020) and Amendment No.10 (signed on June 25, 2020) shall remain unaffected and still be valid (with regards to the supply of Avanto Dots to ViewRay).

Now therefore, the Parties agree as follows:

Article 1 - Definitions

1.1 The term "INFORMATION" means any methods, processes, know-how, proprietary information, trade secrets, technology, designs, digital codes, software, inventions, innovations and improvements relating to MRgRT or MRI whether or not protected or

protectable by IPR, owned or controlled by either PARTY prior to the date of this Agreement, or which becomes owned or controlled by either PARTY during the term of this Agreement outside of the PROJECT.

1.2 The term "IPR" means all patents, patent applications and copyrights, as well as other forms of statutory protection rights.

1.3 The term "PROJECT" means the research and development program to be conducted by the PARTIES related to the integration of an MR system with a linear accelerator that allows for on-table imaging and treatment of patients without the need to move the patient between two tables or rooms and is more fully described in the **Statement of Work** (**attached as Appendix 1**) hereto.

1.4 The term "DOCUMENTATION" shall mean written INFORMATION.

1.5 The term "BACKGROUND PATENTS" shall mean copyrights, utility models, patent applications and patents covering INFORMATION.

1.6 The term "WORK" means collectively any and all work, services, contributions, investigations etc. performed and rendered during and for the purpose of the PROJECT.

1.7 The term "RESULTS" means any and all methods, processes, know-how, proprietary information, trade secrets, technology, designs, digital codes, software, inventions, innovations and improvements made by either PARTY in connection with the PROJECT, whether or not protected or protectable by IPR.

1.8 The term "FIELD" means integrated MRI and RT technology in an INTEGRATED HYBRID MR/LINAC. The FIELD excludes the usage of MRI in the context of RT not employing an INTEGRATED HYBRID MR/LINAC.

1.9 [***].

1.10 The term ”AFFILIATE" means a corporation, company or other entity, now or hereafter, directly or indirectly, owned or controlled by, or owning or controlling, or under common control with SIEMENS or ViewRay, but such corporation, company or other entity shall be deemed to be an AFFILIATE only so long as such ownership or control exists. For purposes of this definition "control" of a corporation, company or other entity shall mean to have, directly or indirectly, the power to direct or cause the direction of the management and policies of a corporation, company or other entity, whether (i) through the ownership of voting securities entitling to the right to elect or appoint, directly or indirectly, the majority of the board of directors, or a similar managing authority, (ii) by contract or (iii) otherwise.

1.11 The term "CHANGE OF CONTROL" means with respect to VIEWRAY, in an event or series of related events: (a) a sale of all or substantially all of VIEWRAY's assets, voting stock or securities or business relating to this Agreement; (b) a merger, reorganization or consolidation involving VIEWRAY in which the stockholders of VIEWRAY immediately prior to such transaction cease to own collectively a majority of the voting equity securities of the successor entity; or (c) a Person or group of Persons acting in concert acquire fifty percent (50%) or more of the voting equity securities of VIEWRAY. For purposes of clarity, the term "CHANGE OF CONTROL" is not intended to include (i) an underwritten public offering of VIEWRAY's common stock pursuant to a Registration Statement on Form S-1 under the Securities Act of 1933, as amended, or (ii) any sale of shares of capital stock of VIEWRAY, in a single transaction or series of related transactions principally for bona fide equity financing purposes in which VIEWRAY issues new securities to venture capital investors primarily for cash or the cancellation or conversion of indebtedness of VIEWRAY or a combination thereof for the purpose of financing the operations and business of VIEWRAY.

1.12 The term “COMPETITOR” shall include DIRECT COMPETITORS as well as “INDIRECT COMPETITORS” as stipulated in Article 9.1.

Article 2 - Statement of Work

2.1 The PROJECT is further described in the **Statement of Work (Appendix 1)**, which may be amended from time to time in writing by mutual consent of the Parties.

2.2 [***]..

2.3 Sustaining Engineering: After the first release of the ViewRay product that is the subject of the PROJECT, if sustaining engineering effort will be required for the COMPONENTS solely triggered by ViewRay’s requirements, ViewRay will reimburse the efforts on based on the hourly rate of SIEMENS’ engineers. SIEMENS is not required to provide sustaining engineering, except to provide timely assistance for safety related requests from ViewRay.

Article 3 - Reserved.

Article 4 - Supply PHASE of Business Relationship

4.1 After successful completion of the PROJECT, SIEMENS shall supply COMPONENTS to VIEWRAY in accordance with the stipulations of the **Supply Agreement, (Appendix 2)** as amended, (the "SUPPLY AGREEMENT") and in case of any inconsistency between the main document provisions of this 2022 Agreement and the provisions of the SUPPLY AGREEMENT, the SUPPLY AGREEMENT shall prevail. The date of the documented review meeting (as required by the Statement of Work) shall be treated as the effective date for the SUPPLY AGREEMENT, which shall take effect automatically and without signature upon the PARTIES determination that the PROJECT has been successfully completed in accordance with the Statement of Work.

4.2 Reserved.

4.3 VIEWRAY will use standard COMPONENTS from SIEMENS wherever possible. SIEMENS will modify COMPONENTS to allow full function if necessary or useful, technically feasible and commercially reasonable. Changes in the measurement and control system of the COMPONENTS are exempt from this Article 4.3. Change requests made during the Supply PHASE, shall be made pursuant to Section 8.3 of the SUPPLY AGREEMENT.

4.4 SIEMENS will provide VIEWRAY access to all available regulatory documentation to assist in FDA submissions by VIEWRAY. SIEMENS will notify VIEWRAY without undue delay in case SIEMENS COMPONENTS are involved in any product recall actions that might affect the FDA approval of the VIEWRAY MRgRT system.

4.5 SIEMENS will provide VIEWRAY with all necessary service documentation available at SIEMENS, such documentation to be provided pursuant to the Quality Agreement contemplated by the SUPPLY AGREEMENT.

4.6 Service topics, including, but not limited to:

- Service contracts
- Spare parts supply and logistics
- First, second and third level service support
- Software and computer hardware upgrades for the installed base

are regulated in the SUPPLY AGREEMENT Section 7 and Annex 3.

Article 5 - Support on Development

SIEMENS agrees to reasonably support the development process [***] at ViewRay's costs (as stipulated in the PROJECT Statement of Work) on a best efforts basis until [***].

Article 6 - Secrecy

6.1 Each PARTY agrees that all INFORMATION and RESULTS which it receives from the other PARTY and which are designated as confidential by such PARTY will be deemed to be confidential and will be maintained by the receiving PARTY in confidence, provided, however, that such PARTY may disclose such information to its officers, and those of its employees and others under its control for the purposes of this Agreement, all of whom will be advised of this Agreement and such PARTY's obligations there under.

6.2 Such PARTY additionally agrees to take all reasonable precautions to safeguard the confidential nature of the foregoing information, provided, however, that such PARTY's normal procedures for protecting its own confidential information shall be deemed reasonable precautions, and provided that if such precautions are taken, such PARTY will not be liable for any disclosure which is inadvertent or unauthorized or is required by any judicial order or decree or by any governmental law or regulation. Neither shall such PARTY be liable for disclosure and/or any use of such information insofar as such information

- is in, or becomes part of, the public domain other than through a breach of this Agreement by such PARTY;
- is already known to such PARTY at or before the time it receives the same from the other PARTY or is disclosed to such PARTY by a third PARTY as a matter of right;
- is independently developed by such PARTY without the benefit of such information received from the other PARTY;
- is disclosed and/or used by such PARTY with the prior written consent of the other PARTY.

Notwithstanding the above, each PARTY has the right to disclose the other PARTY's INFORMATION and RESULTS which it received under this Agreement to its licensees insofar as it has the right to sublicense same as set forth in this Agreement, provided, such PARTY

requires such licensee to undertake in writing secrecy obligations which are at least as stringent as the ones set forth in this Article 6 -;

6.3 The obligations of Article 6 -shall survive five years after termination of this Agreement.

Article 7 - Warranties and Limitation of Liabilities

7.1 No PARTY shall be liable towards the other PARTY in the case that the WORK cannot be successfully completed, except that the COMPONENTS necessary for the WORK and provided by SIEMENS do not fulfill the Specifications as described in Annex 1 and the WORK therefore cannot be successfully completed.

7.2 The sole obligation of each PARTY with respect to its INFORMATION and RESULTS shall be to forward same to the other PARTY as provided in this Agreement and, to correct errors that might have occurred in this INFORMATION and RESULTS without undue delay after such errors become known to the PARTY which forwarded the relevant INFORMATION or RESULTS.

The warranties set forth in this Article 7.2 apply to all INFORMATION and RESULTS licensed or knowingly disclosed hereunder and are in lieu of all warranties expressed or implied including without limitation the warranties that INFORMATION and RESULTS can be used without infringing statutory and other rights of third PARTIES.

7.3 Any liability of a PARTY with respect to death or injury to any person is subject to and governed by the provisions of the applicable law. Neither PARTY is, however, obliged to compensate for death or personal injury or loss of or damage to property of the other PARTY to the extent such death, injury, loss or damage is covered by insurance(s) of the affected PARTY and such affected PARTY shall not be entitled to re cover same from the first PARTY.

7.4 Neither PARTY shall be liable for any indirect or consequential damages of the other PARTY, including loss of profit or interest, under any legal cause whatsoever and on account of whatsoever reason, except where such liability is mandatory by applicable law.

7.5 Nothing in this Agreement shall obligate either PARTY to apply for, take out, maintain or acquire any statutory protection, in any country.

7.6 All rights granted in INFORMATION, RESULTS and under BACKGROUND PATENTS are granted insofar only as the PARTY granting same has the right to grant without payment to third PARTIES.

7.7 The provisions of Sections 7.1 through 7.6 shall survive any termination of this Agreement.

Article 8 - Intellectual Properties

8.1 Inventions - including, but not being limited to, inventions eligible for statutory protection (patent applications, patents, etc.) - made during the term and under the cooperation of this Agreement ("INVENTIONS") by employees of one PARTY shall become neither the property of the other PARTY nor the common property of both PARTIES, and the one PARTY,

therefore and insofar as it otherwise has the right to do so, shall be free to use such INVENTIONS as it sees fit and to file for statutory protection and to use, maintain and permit to lapse such application for statutory protection and any statutory rights issued thereon.

8.1.1 Article 3 of Amendment No. 2 of the May 2008 Development and Supply Agreement between the PARTIES shall at all times apply to MR pulse sequence development except as Article 3.2.5 (third and fourth paragraph) of Amendment No. 2 of the May 2008, which is modified by Article 8.3 herein.

8.2 INVENTIONS made by employees of both PARTIES ("JOINT INVENTIONS") shall, at the time they are made, become the joint property of both PARTIES.

8.1.1 [***].

8.1.2 For JOINT INVENTIONS which are eligible for statutory protection the PARTIES will agree upon the details for filing for such protection.

In case only one (1) PARTY is interested in filing for statutory protection for JOINT INVENTIONS, then the other PARTY shall execute and forward to the one PARTY all documents requested by the one PARTY and reasonably believed to be necessary and/or desirable for such procedure. Statutory rights filed for JOINT INVENTIONS by one PARTY at its own expense shall, from the date of filing, become the sole property of that one PARTY, and, therefore, for example and without limitation, can be used, maintained and permitted to lapse by this PARTY as it sees fit. The other PARTY's right to use such statutory rights are as laid down in Section 8.2.1 above.

8.1.3 Each PARTY ensures that it will be in a position to immediately acquire the share of inventions of its employees insofar as JOINT INVENTIONS are concerned.

8.1.4 Neither PARTY is obligated to take action against third PARTIES infringing upon statutory rights filed or issued for JOINT INVENTIONS or to defend such rights against third PARTIES.

8.3 (i) The Parties will enter into good faith negotiations on a case-by-case basis to grant each other license rights to use such BACKGROUND PATENTS against payment of a fair and reasonable license fee on market terms in case the usage of such BACKGROUND PATENTS is necessary to exploit RESULTS generated during the performance of the WORK under the PROJECT. In no event shall rights of use or other rights be granted by Siemens in and to the IDEA software and the object code and source code of any software provided to ViewRay
(ii) Under its INFORMATION, BACKGROUND PATENTS and RESULTS each PARTY hereby grants to the other PARTY the non-exclusive, non-transferable, royalty free right and license, including the right to sublicense to SIEMENS AFFILIATES, to use same during the term of this Agreement solely for the purpose of carrying out the WORK assigned to such PARTY. This right includes the right to have such INFORMATION, BACKGROUND PATENTS and RESULTS used by a subcontractor.

(iii) Under its INFORMATION and RESULTS each PARTY hereby grants to the other PARTY the non-exclusive, non-transferable, royalty free right and license, to use same within the FIELD for the manufacture, use and sale of the VIEWRAY MRgRT system and its parts and

modifications and enhancement thereof and to grant sublicenses as part of a grant of a license under its own technology.

8.4 [***].

8.5 The stipulations of Articles 8.1 through 8.4 shall survive any termination of this Agreement.

Article 9 - CHANGE OF CONTROL

9.1 If VIEWRAY obligates itself with respect to a CHANGE OF CONTROL with a third party that is an "INDIRECT COMPETITOR" of SIEMENS, the PARTIES will discuss in good faith within thirty (30) days after such CHANGE OF CONTROL is publicly announced, how such CHANGE OF CONTROL would impact the relationship contemplated by this Agreement, including whether VIEWRAY or such INDIRECT COMPETITOR will terminate this Agreement after the closing of such CHANGE OF CONTROL transaction. [***]. For purposes of this Agreement, "DIRECT COMPETITOR" means an entity that has an MRI product line. [***] For purposes of this Agreement, "INDIRECT COMPETITOR" means an entity that is not a DIRECT COMPETITOR but which has a product line that competes with another product line of SIEMENS.

9.1. [***].

9.2. [***].

9.3. For this purpose, “commercially reasonable” shall mean a decision by an objective third party acting in good faith using prevailing industry practices considering the facts and circumstances at the time of the CHANGE IN CONTROL, including but not limited to the financial benefit/burden to the parties, as well as whether such decision can be reasonably be expected to achieve a legitimate business purpose of the decision-maker. During the pendency of the resolution to any dispute relating to commercial reasonableness, the parties must continue to act in good faith in relation to the delivery on undisputed supply.

9.4. For the sole purpose of determining a commercially reasonable duration of wind down support, SIEMENS has the right to audit the progress of the transition of the MRI component for VIEWRAY’s MR Linac system from SIEMENS’ to such COMPETITOR via an independent auditor bound to confidentiality and not sharing any development results with SIEMENS.

9.2 [***].

9.3 [***].

Article 10 - Term and Termination

10.1 This Agreement shall become effective on the date it is signed by both PARTIES (“EFFECTIVE DATE”). This Agreement may be terminated at any time during the PROJECT

by the one PARTY by giving of not less than four weeks' prior written notice to the other PARTY under the below circumstances

- if the other PARTY hereto is declared bankrupt or otherwise cannot fulfill its financial obligations; or

- if the other PARTY hereto substantially defaults in the performance of this Agreement and does not remedy the default within four (4) weeks after receipt of a relevant request of the one PARTY; or

- if the other PARTY extends its activities to cover the development and/or manufacture of COMPONENTS or parts within the FIELD and should such extension not be governed by the cooperation of the PARTIES hereunder.

10.2 These rules refer solely to a termination during the PROJECT. Termination of the SUPPLY AGREEMENT is governed in Section 13 therein.

10.3 Upon any termination of the Agreement, [***], ViewRay shall have the opportunity for a reasonable period of wind-down support, provided that the Agreement is not terminated for cause. [***].

Article 11 - Arbitration

11.1 Any differences or disputes arising from this Agreement or from agreements regarding its performance shall be settled by an amicable effort on the part of both PARTIES to the Agreement. An attempt to arrive at a settlement shall be deemed to have failed as soon as one of the PARTIES to the Agreement so notifies the other PARTY in writing.

11.2 If an attempt at settlement has failed, the disputes shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce in Paris (Rules) by three arbitrators appointed in accordance with the Rules.

11.3 The place of arbitration shall be Zurich, Switzerland. The procedural law of this place shall apply where the Rules are silent.

11.4 The arbitral award shall be substantiated in writing. The arbitral tribunal shall decide on the matter of costs of the arbitration.

11.5 Any claim, controversy or dispute between the PARTIES arising in whole or in part under or in connection with this Agreement or the subject matter hereof will, before such submission to arbitration, first be escalated to the MRI Business Unit Chief Executive Officer of SIEMENS and the Chief Executive Officer of VIEWRAY for resolution. They will use reasonable efforts to attempt to resolve the dispute through good faith negotiations by telephone or in person as may be agreed and if they fail to resolve the dispute within thirty (30) days after either party notifies the other of the dispute, and do not mutually agree to extend the time for negotiation, then the dispute will be submitted to arbitration in accordance with the procedure set forth in Articles 11.1-11.4.

Article 12 - Substantive Law

12.1 All disputes shall be settled in accordance with the provisions of this Agreement and all other agreements regarding its performance, otherwise in accordance with the substantive law in force in Switzerland, without reference to other laws.

12.2 Nothing contained herein shall be construed and the PARTIES hereby waive any and all rights they may have to claim or assert, that SIEMENS is subject to the jurisdiction of the courts of the USA.

Article 13 - Miscellaneous

13.1 This Agreement may not be released, discharged, abandoned, changed or modified in any manner, except by an instrument in writing signed on behalf of each of the PARTIES hereto by their duly authorized representatives. This includes the use of electronic signatures by using a software tool for electronic signatures (e.g. Adobe Sign).

13.2 The failure of any PARTY hereto to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this Agreement or any part thereof or the right of any PARTY thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach.

13.3 All notices or other communications required or permitted hereunder with regard to the interpretation, validity etc. of the Agreement shall be in writing and shall be given by certified mail addressed,

if to VIEWRAY:

ViewRay Technologies, Inc.
1099 Eighteenth St, Suite 3000
Denver, CO 80202
USA
Attn: Chief Legal Officer

and, if to SIEMENS:

Siemens Healthcare GmbH
Legal
Karl-Heinz-Kaske-Straße 5
90152 Erlangen
Germany
Attn: Lead Lawyer Business Line Magnetic Resonance (MR)

or to such other address that the PARTIES might identify to each other for this purpose and with reference to this Agreement.

13.4 No PARTY hereto shall issue any press release or public announcement or otherwise divulge the existence of this Agreement or the transactions contemplated hereby without the prior approval of the other PARTY hereto.

13.5 This Agreement shall be binding upon and inure to the benefit of the PARTIES hereto. Neither PARTY may assign this Agreement, in whole or in part, except with the prior written consent of the other PARTY, which shall not be unreasonably with held; provided, that either PARTY may assign this Agreement without the consent of the other PARTY to an Affiliate or in connection with any merger, acquisition, or sale a majority of such PARTY's voting stock or a sale of substantially all such PARTY's assets; provided, further, that (a) in each instance the assignee expressly assumes all obligations imposed on the assigning PARTY by this Agreement in writing and the other PARTY is notified in advance of such assignment; and (b) VIEWRAY shall also be subject to the restriction set forth in Article 9. Any purported assignment in violation of this Article 13.5 shall be null and void.

13.6 Titles and headings to Articles herein are inserted for the convenience or reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

13.7 This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

13.8 This Agreement (including the Appendices) constitutes the entire agreement between the PARTIES with respect to its subject matter and supersedes all prior agreements, understandings, commitments, negotiations and discussions with respect thereto, whether oral or written.

13.9 During the term of this Agreement and for a period of 12 months thereafter, neither PARTY will not solicit for employment (whether as an employee, contractor, consult ant, or in any other manner) any person who is or has been within the previous 12 months a technical or scientific employee of the other PARTY; provided, however, that this Article 13.9 will not prevent either PARTY from employing a person who contacts such PARTY on his or her own initiative (without any actions by such PARTY to encourage such contact) or responds to general solicitations of employment not specifically directed toward the other PARTY's employees.

IN WITNESS WHEREOF the PARTIES have executed these presents on the dates specified below.

VIEWRAY Technologies, Inc.	**SIEMENS Healthcare GmbH**
Place, Date	Place, Date
Apr 4, 2022	Erlangen,01.04.2022
/s/ Drew Hill	/s/ Arthur Kaindl /s/ Peter Horn
Name:	Name: Name:
Drew Hill	Dr. Arthur Kaindl Peter Horn
Title:	Title: Title:
VP Operations and Product Development	Executive Vice President Magnetic Resonance Senior Vice President Finance Magnetic Resonance

Appendix 1 – Statement of Work

to the Development and Supply Agreement between VIEWRAY and SIEMENS:

Reimbursement of SIEMENS Costs during PROJECT

VIEWRAY will reimburse SIEMENS for the supply of COMPONENTS and the development support during the PROJECT as described below:

- Labor costs for SIEMENS System Engineer and SIEMENS Application Specialist: at the then applicable cost to Siemens plus travel expenses.
- SIEMENS material costs: invoiced based upon consumption.

Appendix 2

to the Development and Supply Agreement between VIEWRAY and SIEMENS:

SUPPLY AGREEMENT

by and between

ViewRay Technologies, Inc.

- hereinafter referred to as "BUYER" -

and

Siemens Healthcare GmbH

- hereinafter referred to as "SELLER" -

- BUYER and SELLER hereinafter referred to individually

as "PARTY" or collectively as "PARTIES" -

CONFIDENTIAL

Preamble

WHEREAS BUYER shall procure from SELLER products in the course of a long term cooperation; and

WHEREAS, for their mutual benefit, the PARTIES seek to secure the supply, to improve the planning, to ensure delivery on time, to minimize the respective stocks and to reduce the expenditures for the transaction of business.
WHEREAS, the supply of ViewRay with Avanto Dots shall be governed by Amendment 8 (signed on September 19, 2019), Amendment 9 (signed on June 5, 2020) and Amendment 10 (signed on June 25, 2020) of the 2008 Agreement.

NOW THEREFORE in consideration of the above, the PARTIES agree to the following terms and conditions:

1. Subject of the Agreement

Subject of this SUPPLY AGREEMENT is the procurement of the COMPONENTS as described in Annex 1 hereto.

2. Demand Planning and Purchase Orders

2.1 BUYER shall provide a nonbinding forecast to SELLER covering his demand for twenty-four (24) months (hereinafter referred to as "SUPPLY PERIOD"). Such purchase orders shall be issued at least twelve (12) weeks before the beginning of the respective SUPPLY PERIOD.

2.2 Together with his purchase orders BUYER shall furnish to SELLER a forecast indicating his demand for the period of twelve (12) months following the SUPPLY PERIOD.

SELLER shall consider the forecasts when planning his production capacities. If
SELLER does not object in writing within fifteen (15) Business Days after receipt of the forecast, it will be deemed accepted by SELLER, and BUYER may assume that SELLER will accept purchase orders within this scope.

2.3 BUYER shall forward his purchase orders in writing to SELLER's relevant local subsidiary. SELLER shall acknowledge the purchase orders within ten (10) Business Days after receipt thereof, as far as they do not exceed the forecast accepted by SELLER. SELLER shall make reasonable efforts to meet BUYER's demand exceeding the forecast. In case SELLER can accept a purchase order of BUYER exceeding the forecast only with modifications (for example concerning delivery date or quantity), the PARTIES will agree without delay on a mutually acceptable solution.

2.4 If subsequently to the acknowledgement of any purchase order BUYER requires an earlier or later delivery date as agreed, the PARTIES shall use best efforts to find a mutually acceptable solution.

2.5 The terms and conditions of this SUPPLY AGREEMENT shall apply to any purchase order of BUYER regarding the COMPONENTS even if they do not refer to it expressly. Any separate general terms and conditions of BUYER or SELLER shall not apply.

2.6 "Business Day" means any day other than a Saturday or Sunday that is not a national holiday in the United States or Germany.

3. Delivery

3.1 The COMPONENTS are delivered "EXW" according to Incoterms 2020.

3.2 If the delivery date is defined

a) by day, SELLER shall not deliver more than three (3) days earlier or later as the agreed delivery day;

b) by week, SELLER shall deliver within the agreed delivery week.

3.3 In case SELLER realizes that he cannot adhere to the agreed delivery date, he shall without delay inform BUYER and indicate the prospective duration of the delay. The PARTIES shall immediately endeavor to find reasonable remedial measures.

3.4 If SELLER is in delay with deliveries for which he is responsible and if BUYER substantiates that he has suffered damages due to the delay, he may claim per full week of delay liquidated damages of 0,5% of the price of the delayed COMPONENTS up to a maximum amount of 5% of such price. Any further claims for damages due to the delay shall be excluded.

Further, BUYER may cancel the relevant separate purchase contract without incurring any liability, provided the COMPONENTS have not been delivered within a reasonable grace period set by BUYER.

4. Prices

4.1 The prices of the COMPONENTS are specified in Annex 2 hereto and are valid for the agreed upon time period.

4.2 The prices are based on the clause of the Incoterms 2020 as defined in Section 3.1 and include packaging. The respectively valid VAT shall be added to the price.

5. Invoices and Terms of Payment

5.1 SELLER shall issue for every delivery an invoice meeting the requirements of the tax laws. The invoice shall show the price per ordered COMPONENTS, the order number and the COMPONENTS part number.

5.2 Payments shall be effected in EURO within 90 days from the invoice date.

6. Risk, Title

6.1 Risk of loss or damages shall pass onto BUYER according to the clause of the Incoterms 2020 as defined in Section 3.1.

6.2 SELLER retains title to the COMPONENTS until all payments due to SELLER have been finally effected by BUYER.

6.3 For the product software embedded in the COMPONENTS the following shall apply:
With respect to the product software, including any relating documentation, BUYER shall have the right to (a) transfer the software and relating documentation to third parties only in connection with the respective COMPONENTS and (b) grant to them a non-exclusive right to use such software in machine-readable object code form and the relating documentation only in connection with the COMPONENTS and as specified in the operation documentation.
For the avoidance of doubt, for service software embedded in the COMPONENTS Exhibit 1 (General Terms and Conditions for use of Service Software) of Annex 3 of Appendix 2 (Supply Agreement) shall apply.

7. Warranty, Services, Spare Parts

7.1 SELLER assumes liability for defects of the COMPONENTS including the lack of assured characteristics as follows:

If BUYER detects a defect, BUYER shall notify SELLER in writing without unreasonable delay, send back the defective COMPONENT to SELLER at his own costs and order a new COMPONENT. Upon receipt of the COMPONENT, SELLER will analyze the COMPONENT without unreasonable delay of receipt to determine whether or not the COMPONENT has a defect for which SELLER is liable according to this SUPPLY AGREEMENT, and in case of a defect for which SELLER is liable, SELLER will provide BUYER with a respective credit notice, which credit notice will include the shipping costs incurred by BUYER in sending back the defective COMPONENT to SELLER. If the SELLER determines in good faith that the defect in the COMPONENT is not one that SELLER is liable for, the BUYER and SELLER will come to a mutual satisfactory agreement regarding the supply of a replacement COMPONENT by the SELLER.

Details will be described in the Quality Assurance Agreement as per Annex 4 to the SUPPLY AGREEMENT.

The Parties shall, also beyond the term of the SUPPLY AGREEMENT, collaborate to the best of their abilities in order to prevent identified or unidentified risks or damages as quickly and effectively as possible which may be caused by the COMPONENTS so that no one suffers any damage or injury as a result of using the COMPONENTS.

VIEWRAY shall be obliged to monitor the COMPONENTS used together with its own equipment or systems with regard to product defects of all kinds. The aforesaid obligation shall be carried out by VIEWRAY by appropriate organizational measures within the scope of its organizational and operational structure. VIEWRAY shall promptly notify SIEMENS in writing of any identified product defects in accordance with its quality assurance policies and

procedures, provided that such policies and procedures are reasonably acceptable to SELLER.

7.2 The warranty period for COMPONENTS shall be 15 months starting on the date the risk of loss or damage has passed onto BUYER according to Section 6.1 or 12 months from the date of installation at customer site, whichever is the earlier.

7.3 Seller intends to supply COMPONENTS and spare parts hereof for a minimum period of ten years following commercial launch of ViewRay's Integrated Hybrid MR/Linac on the Free.Max platform, provided that commercial launch of the MR Linac Technology occurs before end of support of Siemens' MAGNETOM Free.Max-system. In the event SELLER decides to end the support or manufacture of COMPONENTS or spare parts hereof within the ten years period, SELLER will notify BUYER hereof and agrees to provide BUYER a "last buy" as well as reasonable period of wind-down support, but not longer than 18 months following the notification of end of support. Details of the processing of spare parts and returned goods are to be found in Annex 3. The provisions governing the COMPONENTS shall also apply to spare parts unless agreed otherwise in this agreement.

7.4 SELLER's liability for any further damages resulting from the defect(s) of the COMPONENTS shall be limited pursuant to the stipulations of Section 12.

7.5 The SELLER shall, at SELLER's then current pricing, provide the BUYER with information (e.g. service training courses, service documentation, etc.) and aids (e.g. tools, software, etc) to enable the BUYER to perform the service function. Details on the aforesaid are to be found in Annex 3 hereto.

7.6 The BUYER is only entitled to use the information and aids within its own service organization and only to perform services on COMPONENTS that were purchased by the BUYER under this SUPPLY AGREEMENT and delivered to end-users. The transfer of information and/or aids to third PARTIES will be subject to prior written approval by the SELLER.

8. Technical Changes

8.1 SELLER is entitled to technically change the COMPONENTS without notice to BUYER; provided that the COMPONENTS continue to conform to the applicable specifications for the then-current COMPONENTS. Notwithstanding the foregoing, SELLER shall notify BUYER about the changes in writing at least six (6) months before start of production of the changed COMPONENTS. If SELLER makes technical changes to the COMPONENTS that will cause them to not conform to the applicable specifications for the then-current COMPONENTS then SELLER shall follow the procedure in Section 8.2.

8.2 If SELLER intends to discontinue the production of then-current COMPONENTS in favor of new COMPONENTS or to make technical changes to the then-current COMPONENTS that SELLER reasonably expects to affect form, size, assembly, function or interfaces of the COMPONENTS so that such new or changed COMPONENTS fail to conform to the applicable specifications for the then-current COMPONENTS, SELLER shall as early as

reasonably practicable, taking into consideration the regulatory requirements of introducing changes to the then-current COMPONENTS and the BUYER’s System notify BUYER and give BUYER access to specifications for the "new" COMPONENTS as well as access (at SELLER'S facility or at BUYER's request and expense at Buyer's Beachwood, Ohio facility) to a preproduction prototype of the new COMPONENTS prior to commercial release of the new COMPONENTS to permit BUYER to test the COMPONENTS and provide input to SELLER on its impact on the BUYER’s System. BUYER will notify SELLER not later than six (6) months following the date it is notified of such technical changes by SELLER whether BUYER will adopt the new COMPONENTS for use in the BUYER’s System. If BUYER adopts the new COMPONENTS for use in the BUYER’s System, Annex 1 (Specification of Components) and, to the extent applicable, Annex 2 (Prices) will be amended to reflect the new COMPONENTS. If BUYER has not yet adopted the new COMPONENTS for use in the BUYER’s System and SELLER decides to discontinue production of the then-current COMPONENTS, BUYER may, in order to cover its remaining demand, place purchase orders in accordance with Sections 2.1 and 2.4 for the unchanged then-current COMPONENTS within six (6) months after being notified about the technical changes by SELLER.

8.3 BUYER may request that SELLER incorporate changes to the COMPONENTS going forward by delivering a written change order to SELLER (a "Post-Development Change Order"). Any such Post-Development Change Order will include a description of the proposed change sufficient to permit SELLER to evaluate its feasibility and cost. SELLER will use reasonable efforts to provide within 15 Business Days of receipt of a Post-Development Change Order a detailed response to the Post Development Change Order including a specification of: (a) new material costs; (b) new labor cost itemized by activity to be performed; (c) the proposed implementation date; and (d) the impact on the delivery schedule and pricing of the COMPONENTS. SELLER will not unreasonably withhold or delay agreement to a Post-Development Change Order. Until a Post-Development Change Order has been agreed to in writing, such Post-Development Change Order will not become effective, and the PARTIES will continue to perform their obligations under the then-effective specifications.

9. Export Control

9.1 If VIEWRAY transfers COMPONENTS delivered by SIEMENS or technical assistance services performed by SIEMENS or its wholly-owned indirect U.S. subsidiary, Siemens Medical Solutions USA, Inc to a third party VIEWRAY shall comply with all applicable national and international (re-) export control regulations. In any event of such transfer of COMPONENTS and/or technical assistance services VIEWRAY shall comply with the (re-) export control regulations of the Federal Republic of Germany, of the European Union and of the United States of America.

9.2 Prior to any transfer of COMPONENTS and/or technical assistance services provided by SIEMENS or its wholly-owned indirect U.S. subsidiary, Siemens Medical Solutions USA, Inc. to a third party VIEWRAY shall in particular check and guarantee by appropriate measures that there will be no infringement of an embargo imposed by the European Union, by the United States of America and/ or by the United Nations by such transfer, by brokering of contracts concerning those goods, works and services or by provision of other economic resources in connection with those COMPONENTS and or and/or technical assistance services, also considering the limitations of domestic business and prohibitions of by-passing those embargos;

9.3 Such COMPONENTS and/or technical assistance services are not intended for use in connection with armaments, nuclear technology or weapons, if and to the extent such use is subject to prohibition or authorization, unless required authorization is provided; The regulations of all applicable Sanctioned Party Lists of the European Union and the United States of America concerning the trading with entities, person and organizations listed therein are considered.

9.4 If required to enable authorities or SIEMENS or its wholly-owned indirect U.S. subsidiary, Siemens Medical Solutions USA, Inc. to conduct export control checks, VIEWRAY, upon request by SIEMENS, shall promptly provide SIEMENS with all information pertaining to the particular end customer, the particular destination and the particular intended use of goods, works and services provided by SIEMENS, as well as any export control restrictions existing.

9.5 VIEWRAY shall indemnify and hold harmless SIEMENS and its subsidiaries from and against any claim, proceeding, action, fine, loss, cost and damages arising out of or relating to any noncompliance with export control regulations by VIEWRAY, and VIEWRAY shall compensate SIEMENS and its subsidiaries for all losses and expenses resulting thereof. Section 9.4 shall apply.

10. Industrial and Intellectual Property Rights

10.1 BUYER shall be responsible for its use of COMPONENTS and shall verify whether such use infringes any third party patent, utility models or copyright (hereinafter “Protective Rights”).

10.2 If a third party raises claims against SELLER and/or its subsidiaries for infringement of Protective Rights that are based on BUYER'S use of the COMPONENTS in its systems (including but not limited to inducement to infringement and/or contributory infringement), then BUYER shall indemnify and hold harmless SELLER and/or its subsidiaries of any damages, including reasonable attorney fees and other legal costs and expenses as well as appropriate license fees, incurred by SELLER; for the avoidance of doubt, BUYER shall not be required to indemnify, hold harmless or defend SELLER and/or its subsidiaries against any claim if that claim is (i) solely based on the fact that the COMPONENT itself infringes a Protective Right and is (ii) independent from the use of the COMPONENT in its systems.

10.3 SELLER does not assume any liability with regard to the systems· developed and/or sold by BUYER. Section 10.2 shall apply likewise in case a third party raises claims against SELLER for personal injury, damages to property, loss of business or revenue and/or any other damages caused by the use of the systems.

10.4 In any claim for indemnification under Section 10.2 or Section 10.3, SELLER must give BUYER prompt written notice of any claim or proceeding with respect to which it believes it is entitled to seek indemnification. The BUYER shall be entitled to assume the defense of such claim with counsel selected by the BUYER and reasonably satisfactory to the SELLER, provided that (i) the SELLER agrees to that assumption of the defense, which agreement shall not be unreasonably be withheld and (ii) the BUYER acknowledges in writing its obligation to indemnify the SELLER for the claim that is the subject of such notice and that (iii) the defense of such claim takes into account the reasonable interests of SELLER. Should

the BUYER so elect to assume the defense of a claim, the BUYER shall also be liable to the SELLER for legal expenses which SELLER incurs if a separate representation of the SELLER in the settlement is appropriate because SELLER, in the exercise of its reasonable discretion, has determined that a conflict of interest or reasonable business interests of SELLER make separate representation by the SELLER's own counsel advisable.

Notwithstanding the foregoing, if the BUYER assumes such defense, the SELLER may, at its sole option and expense, participate in such defense and employ separate counsel, and further agrees to cooperate in the conduct of any such defense.

If the BUYER assumes such defense, the BUYER shall have the right to settle such claim, in its discretion, with a full release of the SELLER and no admission of liability; provided that the BUYER shall obtain the written consent prior to settling any claim of the SELLER, such consent not to be unreasonably withheld. The Parties agree that it would not be unreasonable withheld the consent if the SELLER would (i) become subject to injunctive or other equitable relief, or any monetary or in-kind obligations, or (ii) if the business of the SELLER would be adversely affected in any manner

11. Confidential Information

11.1 The PARTIES shall use all information, which they receive in connection with this SUPPLY AGREEMENT and which has been marked as confidential, only for the purposes of this SUPPLY AGREEMENT and they shall keep this information confidential to third PARTIES with the same degree of care as they use with respect to their own confidential information. This obligation shall survive the expiration or termination of this SUPPLY AGREEMENT for a period of 3 years.

11.2 This obligation shall not apply to information, which is or becomes public knowledge or which is provably independently developed or lawfully received from a third PARTY.

12. Liability

12.1 SELLER assumes liability for any personal injury for which it is found responsible without limitation. If found responsible for property damages of BUYER, SELLER shall indemnify BUYER for expenses incurred for restoration of the damaged property up to a maximum amount of EURO 500.000 per damage event and EURO 1.500.000 in the aggregate.

12.2 Apart from warranties and liabilities expressly stipulated in this SUPPLY AGREEMENT, SELLER disclaims all liability regardless of the cause in law, in particular the liability for indirect or consequential damages arising from interrupted operation, loss of profits, loss of information and data, unless in cases of gross negligence, intent, lack of assured characteristics or in any cases where liability is mandatory at law.

13. Term, CHANGE OF CONTROL

13.1 (a) This SUPPLY AGREEMENT shall be effective from the EFFECTIVE DATE II and shall run for an initial period of [***] unless sooner terminated in accordance with Section 13.1(b). Thereafter, unless terminated by either PARTY effective at the end of each calendar year

upon six (6) months prior written notice, this SUPPLY AGREEMENT will be automatically extended by twelve (12) months.

(b) Either PARTY may, without prejudice to any other rights it may have, terminate this SUPPLY AGREEMENT by providing written notice to the other PARTY if the other PARTY breaches any of its representations, warranties or obligations under this SUPPLY AGREEMENT and fails to cure such breach within 60 days after receiving written notice thereof from the non-breaching PARTY.

(c) For a period of six months after expiration or termination of this SUPPLY AGREEMENT for any reason [***], SELLER will provide reasonable assistance (at Buyer's expense) to wind-down the supply of COMPONENTS for BUYER's System. This cooperation will include: (i) the continued manufacture and orderly supply of COMPONENTS after the termination or expiration date; (ii) continued support of COMPONENTS in accordance with the terms of this SUPPLY AGREEMENT after the termination or expiration date; and (iii) the right to make a last time buy of COMPONENTS in the maximum quantities listed in Article 13.3 (b) as amended herein. In the event that the termination was effected by SELLER as a result of BUYER’s material breach of this SUPPLY AGREEMENT the foregoing shall not apply.

(d) On termination or expiration of this SUPPLY AGREEMENT for any reason BUYER will have the right to continue to sell all unsold COMPONENTS that are in its possession or that are subject to an open BUYER bid and purchase order as of the effective date of such termination or expiration.

(e) After the termination or expiration of this SUPPLY AGREEMENT, at Buyer's request, SELLER will continue to provide support services to BUYER for installed COMPONENTS under the terms and conditions set forth in this SUPPLY AGREEMENT at SELLER'S then-standard rates during the remaining term of Buyer's purchase agreements with its end users. BUYER will continue to support such end users in the same manner that BUYER provides similar support for other elements of the System.

13.2 Considering the development support of Siemens, ViewRay shall be obligated to purchase COMPONENTS kits for at least [***] or such shorter period of time, [***], during which BUYER has purchased a total of [***].

13.3 (a) If BUYER obligates itself with respect to a CHANGE OF CONTROL with a third party that is an "INDIRECT COMPETITOR" of SELLER during the term of this SUPPLY AGREEMENT, the PARTIES will discuss in good faith within thirty (30) days after such CHANGE OF CONTROL is publicly announced, how such CHANGE OF CONTROL would impact the relationship contemplated by this SUPPLY AGREEMENT, including whether BUYER or such INDIRECT COMPETITOR will terminate this Agreement after the closing of such CHANGE OF CONTROL transaction. [***]. For purposes of this SUPPLY AGREEMENT, "DIRECT COMPETITOR" means an entity that has an MRI product line. As of the Effective Date I, DIRECT COMPETITORS may include each of GE Healthcare, Hitachi Medical Systems Corporation, Toshiba Medical Systems Corporation, United Imaging Healthcare and Philips Healthcare or their respective affiliates. For purposes of this SUPPLY AGREEMENT, "INDIRECT COMPETITOR" means an entity that is not a DIRECT COMPETITOR but which has a product line that competes with another product line of SIEMENS.

(b) If Siemens terminates the Agreement, Siemens agrees to provide ViewRay a reasonable “last buy” (subject to further limitations described below) as well as a reasonable period of wind-down support for the time that ViewRay together with the Competitor will need to transition the MRI component of ViewRay´s MR Linac from Siemens to such Competitor. The last time buy must occur no later [***] ViewRay’s public announcement of a transaction that would result in a CHANGE IN CONTROL. In the event of a CHANGE IN CONTROL that results in an acquisition by an INDIRECT COMPETITOR, ViewRay’s last time buy order quantity may not exceed the maximum number of MRI units (regardless of model) for which ViewRay has placed [***] prior to the closing of the CHANGE IN CONTROL transaction. In the event of a CHANGE IN CONTROL that results in an acquisition by a DIRECT COMPETITOR, ViewRay’s last time buy shall be subject [***], but in every event not exceeding the number of MRI units (regardless of model) for which ViewRay has placed purchase orders [***] prior to the closing of the CHANGE IN CONTROL transaction.

The time period during which Siemens shall be required to provide wind down support shall (also in the event of an INDIRECT COMPETITOR acquisition) be limited to a commercially reasonable duration, [***] from the closing of a CHANGE IN CONTROL.

For this purpose, “commercially reasonable” shall mean a decision by an objective third party acting in good faith using prevailing industry practices considering the facts and circumstances at the time of the CHANGE IN CONTROL, including but not limited to the financial benefit/burden to the parties, as well as whether such decision can be reasonably be expected to achieve a legitimate business purpose of the decision-maker. During the pendency of the resolution to any dispute relating to commercial reasonableness, the parties must continue to act in good faith in relation to the delivery on undisputed supply. For avoidance of doubts, “DIRECT COMPETITOR” shall be every company that has an MRI product line including but not limited to those companies listed in Section 9 of the main Agreement of which this Appendix forms a part.

For the sole purpose of determining a commercially reasonable duration of wind down support, Siemens has the right to audit the progress of the transition of the MRI component for ViewRay’s MR Linac system from Siemens’ to such Competitor via an independent auditor bound to confidentiality and not sharing any development results with Siemens.

13.4 BUYER may terminate this SUPPLY AGREEMENT within thirty (30) days following the date a CHANGE OF CONTROL involving a DIRECT COMPETITOR or INDIRECT COMPETITOR is publicly announced. In case of termination of this SUPPLY AGREEMENT by BUYER following a CHANGE OF CONTROL involving a DIRECT COMPETITOR or INDIRECT COMPETITOR, BUYER shall reimburse SELLER [***].

13.5 In case of termination of this SUPPLY AGREEMENT by SELLER in accordance with Section 13.3, SELLER will not have a right of any compensation [***].

13.6 "CHANGE OF CONTROL" means with respect to BUYER, in an event or series of related events: (a) a sale of all or substantially all of BUYER's assets, voting stock or securities or business relating to this SUPPLY AGREEMENT; (b) a merger, reorganization or consolidation involving BUYER in which the stockholders of BUYER immediately prior to such transaction cease to own collectively a majority of the voting equity securities of the

successor entity; or (c) a Person or group of Persons acting in concert acquire fifty percent (50%) or more of the voting equity securities of BUYER. For purposes of clarity, the term "CHANGE OF CONTROL" is not intended to include (i) an underwritten public offering of BUYER's common stock pursuant to a Registration Statement on Form S-1 under the Securities Act of 1933, as amended, or (ii) any sale of shares of capital stock of BUYER, in a single transaction or series of related transactions principally for bona fide equity financing purposes in which BUYER issues new securities to venture capital investors primarily for cash or the cancellation or conversion of indebtedness of BUYER or a combination thereof for the purpose of financing the operations and business of BUYER.

13.7 The provisions in Sections 7, 10, 14, 15 shall survive the expiration or termination of this agreement. Any licenses granted by SELLER to BUYER under this SUPPLY AGREEMENT or the AGREEMENT will survive any expiration or termination of this SUPPLY AGREEMENT for any reason for as long as and to the extent that they are reasonably necessary to continue servicing and supporting existing accounts.

14. Medical Device a Regulatory Requirements

14.1 Siemens shall document, implement and maintain an acceptable quality system, such as the ISO 9001 for industrial (non-medical) products or ISO 13485 (for Medical Device Products) standard or equivalent certification. Such quality system shall address records and controls required to ensure traceability of COMPONENTS supplied to VIEWRAY, including product version numbers and/or serial numbers comparable but not beyond to the tracing within SIEMENS MAGNETOM Systems.

14.2 All COMPONENTS delivered to VIEWRAY shall undergo SIEMENS' production testing protocols on component level before they are released for shipment. VIEWRAY will identify non-conforming COMPONENTS in accordance with VIEWRAY's internal inspection and testing procedures and notify SIEMENS of such non-conformance in writing, and where warranted, by issuing a more formal SCAR (Supplier Corrective Action Request). SIEMENS shall acknowledge receipt of notice in writing and provide an initial written status response back to VIEWRAY within a reasonable period of time. SIEMENS will investigate the non-conformance and implement correction and/or corrective actions, as required. SIEMENS agrees to preserve and maintain all data associated with COMPONENT and other performance failures and corrective actions and make that data available to VIEWRAY upon request and that all such data shall be maintained as confidential.

14.3 SIEMENS shall (a) inform VIEWRAY in a timely manner about any quality related notifications that SIEMENS makes regarding the COMPONENTS (as listed in Annex 1) to its own end customers. SIEMENS further agrees to work in good faith with VIEWRAY to review and investigate all product complaints related to the COMPONENTS (as listed in Annex 1) and provide of summary of their investigations and conclusions. Potential solutions need to be aligned on a case by case basis.

14.4 SIEMENS shall establish and maintain procedures to identify, control and recall COMPONENTS as a result of safety or efficacy reasons. In the event of any product recall, product withdrawal or field correction related to the COMPONENTS (as listed in Annex 1), the Parties agree that (a) they shall promptly notify each other and (b) they shall cooperate with

each other as reasonably necessary. VIEWRAY shall be the point of contact for its end-user purchasers of any COMPONENT (whether directly or through any permitted sub-distributors) and be responsible for applicable regulatory authority contacts and for coordination of any end-user recall or field correction activities. SIEMENS shall provide supporting information to VIEWRAY as relevant to any such recall, withdrawal or field correction.

14.5 Upon reasonable request from VIEWRAY for a conflict materials report, SIEMENS will provide a report to VIEWRAY that provides disclosure of any critical materials used in the production of any COMPONENT.

15. Arbitration

15.1 All disputes arising out of or in connection with this SUPPLY AGREEMENT or individual purchase contracts signed hereunder, including any question regarding their existence, validity or termination, shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce, Paris ("Rules") by three arbitrators in accordance with the said Rules.

1.2 Each PARTY shall nominate one arbitrator for confirmation by the competent authority under the applicable Rules ("Appointing Authority"). Both arbitrators shall agree on the third arbitrator within 30 days. Should the two arbitrators fail within the above time-limit to reach agreement on the third arbitrator, he shall be appointed by the Appointing Authority.

1.3 The seat of arbitration shall be Zurich. The procedural law of this place shall apply where the Rules are silent.

1.4 The language to be used in the arbitration proceeding shall be English.

1.5 Any claim, controversy or dispute between the PARTIES arising in whole or in part under or in connection with this SUPPLY AGREEMENT or the subject matter hereof will, before such submission to arbitration, first be escalated to the MRI Business Unit Chief Executive Officer of SELLER and the Chief Executive Officer of BUYER for resolution. They will use reasonable efforts to attempt to resolve the dispute through good faith negotiations by telephone or in person as may be agreed and if they fail to resolve the dispute within thirty (30) days after either party notifies the other of the dispute, and do not mutually agree to extend the time for negotiation, then the dispute will be submitted to arbitration in accordance with the procedure set forth in Sections 14.1-14.4.

16. Applicable Law

This SUPPLY AGREEMENT and individual purchase contracts signed between the PARTIES hereunder shall be governed by and construed in accordance with the law in force in Switzerland without reference to its conflicts of law provisions. The application of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 shall be excluded.

17. Miscellaneous

17.1 For purchasing service from Siemens or its Affiliates, the terms of Annex 3 shall apply. For ordering of Spare Parts, Annex 5 shall apply. The rules and stipulations attached as Annex 6 (Agreement on Electronic Data Communication) apply regarding electronic data communication and exchange.

17.2 Alterations and amendments to this SUPPLY AGREEMENT shall only be valid if made in writing and signed by an authorized representative of each PARTY. This includes the use of electronic signatures by using a software tool for electronic signatures (e.g. Adobe Sign).

17.3 The effectiveness of this SUPPLY AGREEMENT shall not be impaired if any provision of this SUPPLY AGREEMENT should be completely or partially invalid or unenforceable. In this case, the PARTIES shall agree on a provision, that meets the economical intention of the invalid or unenforceable provision.

17.4 The failure of any PARTY hereto to enforce at any time any of the provisions of this SUPPLY AGREEMENT shall in no way be construed to be a waiver of any such provision, nor in any way to affect the validity of this SUPPLY AGREEMENT or any part thereof or the right of any PARTY thereafter to enforce each and every such provision. No waiver of any breach of this SUPPLY AGREEMENT shall be held to be a waiver of any other or subsequent breach.

17.5 All notices or other communications required or permitted hereunder with regard to the interpretation, validity etc. of the SUPPLY AGREEMENT shall be in writing and shall be given by certified mail addressed, if to BUYER:

ViewRay Technologies, Inc.
1099 Eighteenth St, Suite 3000
Denver, CO 80202
USA
Attn: Chief Legal Officer

and, if to SELLER:

Siemens Healthcare GmbH
Legal
Karl-Heinz-Kaske-Straße 5
90152 Erlangen
Germany
Attn: Lead Lawyer Business Line Magnetic Resonance (MR)

or to such other address that the PARTIES might identify to each other for this purpose and with reference to this SUPPLY AGREEMENT.

17.6 No PARTY hereto shall issue any press release or public announcement or otherwise divulge the existence of this SUPPLY AGREEMENT or the transactions contemplated hereby without the prior approval of the other PARTY hereto.

17.7 This SUPPLY AGREEMENT shall be binding upon and inure to the benefit of the PARTIES hereto. Neither PARTY may assign this SUPPLY AGREEMENT, in whole or in part, except with the prior written consent of the other PARTY, which shall not be unreasonably withheld; provided, that either PARTY may assign this SUPPLY AGREEMENT without the consent of the other PARTY to an Affiliate or in connection with any merger, acquisition, or sale a

majority of such PARTY's voting stock or a sale of substantially all such PARTY's assets: provided, further, that (a) in each instance the assignee expressly assumes all obligations imposed on the assigning PARTY by this SUPPLY AGREEMENT in writing and the other PARTY is notified in advance of such assignment; and (b) BUYER shall also be subject to the restriction set forth in Sections 13.3-13.6. Any purported assignment in violation of this Section shall be null and void.

17.8 Titles and headings to Sections herein are inserted for the convenience or reference only and are not intended to be a part of or to affect the meaning or interpretation of this SUPPLY AGREEMENT.

17.9 This SUPPLY AGREEMENT may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

17.10 This SUPPLY AGREEMENT constitutes the entire agreement between the PARTIES with respect to its subject matter and supersedes all prior agreements, understandings, commitments, negotiations and discussions with respect thereto, whether oral or written. This SUPPLY AGREEMENT is an Appendix to the 2022 Agreement between the PARTIES and in the event of any conflict between the terms of this SUPPLY AGREEMENT and the terms of the 2022 Agreement, such conflict will be resolved in accordance with Article 4.1 of the Development and Supply Agreement.

17.11 If either PARTY's performance under this SUPPLY AGREEMENT is prevented, restricted or interfered with by reason of acts of God, wars, revolution, civil commotion, acts of public enemy, labor strikes (other than employees of the affected PARTY), terrorism, pandemic, embargo or acts of government in its sovereign capacity ("Force Majeure"), the "affected PARTY" will, after giving prompt notice to the other PARTY, be excused from such performance on a day-to-day basis during the continuance of such prevention, restriction, or interference (and the other PARTY will likewise be excused from performance of its obligations on a day-to-day basis during the same period), provided, however, that the affected PARTY will use its best efforts to avoid or remove the causes of nonperformance and both PARTIES will proceed immediately with the performance of their obligations under this SUPPLY AGREEMENT whenever the causes are removed or cease. If Force Majeure conditions continue for more than 90 consecutive days or an aggregate 120 days in any 12-month period, then the disadvantaged PARTY (but not the affected PARTY) may terminate this SUPPLY AGREEMENT.

17.12 No Party shall be obligated to fulfill this Agreement or an individual purchase agreement, if such fulfillment is prevented by any impedings arising out of national or international foreign trade or customs requirements or any embargoes or other sanctions.

17.13 The following Annexes shall be incorporated in this Agreement by reference:

Annex 1: Specification of COMPONENTS

Annex 2: Price List

Annex 3: Service Requirements

Annex 4: Quality Assurance Agreement

Annex 5: Spare Parts

Annex 6: Agreement on Electronic Data Communication

ANNEXES

CONFIDENTIAL

Development Agreement – ViewRay Technologies, Inc. and Siemens Healthcare GmbH
Status: 31 March 2022

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Scott Drake, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ViewRay, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 6, 2022

By: /s/ Scott Drake
Name: Scott Drake
Title: Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO
EXCHANGE ACT RULE 13a-14(a)/15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Zachary Stassen, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ViewRay, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 6, 2022

By: /s/ Zachary Stassen
Name: Zachary Stassen
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of ViewRay, Inc., a Delaware corporation (the "Company"), hereby certify that:

i. the accompanying Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

ii. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

The foregoing certification (i) is given to such officers' knowledge, based upon such officers' investigation as such officers reasonably deem appropriate; and (ii) is being furnished solely pursuant to 18 U.S.C. § 1350 (section 906 of the Sarbanes-Oxley Act of 2002) and is not being filed as part of the Report or as a separate disclosure document and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report), irrespective of any general incorporation language contained in such filing.

VIEWRAY, INC.

Dated: May 6, 2022

By: /s/ Scott Drake
Name: Scott Drake
Title: Chief Executive Officer
(Principal Executive Officer)

Dated: May 6, 2022

By: /s/ Zachary Stassen
Name: Zachary Stassen
Title: Chief Financial Officer
(Principal Financial Officer)