Table of Contents

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

OR

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

For the transition period from _____ to _____

Commission File Number: 001-38546

NEURONETICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**33-1051425**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

3222 Phoenixville Pike, Malvern, Pennsylvania 19355

(Address of principal executive offices including zip code)

Registrant's telephone number, including area code: (877) 600-7555

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 per share	**STIM**	The Nasdaq Stock Market LLC

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

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒
Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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

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

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

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

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

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

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

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2025) was approximately $129.3 million.

The number of shares of Registrant's Common Stock outstanding as of March 10, 2026 was 69,276,593.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement relating to the 2026 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission within 120 days after the end of the Registrant's fiscal year ended December 31, 2025, are incorporated by reference into Part III of this Report.

NEURONETICS, INC.
Annual Report on Form 10-K for the year ended December 31, 2025
Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained herein, including statements regarding our future results of operations and financial position, business strategy, current and prospective products, product approvals, research and development costs, current and prospective collaborations, timing and likelihood of success, plans and objectives of management for future operations and future results of current and anticipated products, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as "may," "will," "would," "should," "expect," "plan," "design," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" "outlook" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this Annual Report on Form 10-K are only predictions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. These forward-looking statements speak only as of the date of this Annual Report on Form 10-K and are subject to a number of risks, uncertainties and assumptions described under the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere herein. These risks and uncertainties include, without limitation, risks and uncertainties related to: the effect of the transaction with Greenbrook TMS Inc. ("Greenbrook") on the Company's business relationships, operating results and business generally; the Company's ability to execute its business strategy; the Company's ability to achieve or sustain profitable operations due to its history of losses; the Company's reliance on the sale and use of its NeuroStar Advanced Therapy System to generate revenues; the scale and efficacy of the Company's salesforce; the Company's ability to retain talent; availability of coverage and reimbursement from third-party payors for treatments using the Company's products and services; physician and patient demand for treatments using the Company's products and services; developments in competing technologies and therapies for the indications that the Company's products treat; product defects; developments in clinical trials or regulatory review of NeuroStar Advanced Therapy System for additional indications; developments in regulation in the U.S. and other applicable jurisdictions; the terms of the Company's credit facility; the Company's ability to successfully roll-out the Company's Better Me Provider Program on the planned timeline; and the Company's self-sustainability and existing cash balances. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. The Company cautions investors not to place undue reliance on these forward-looking statements. Moreover, we operate in an evolving environment. New risk factors and uncertainties may emerge from time to time, and it is not possible for us to predict all risk factors and uncertainties. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained in this Annual Report on Form 10-K as a result of any new information, future events or changed circumstances or otherwise.

Disclosure Channels to Disseminate Information

The Company announces material information to the public about the Company, its products and services and other matters through a variety of means, including filings with the United States Securities and Exchange Commission (the "SEC"), press releases, public conference calls, the Company's website (https://neurostar.com/neuronetics/), including the Investors section thereof, and social media, including its Facebook page (https://www.facebook.com/NeuroStarAdvancedTMS/), X (formerly Twitter) account (@TMSTherapy), Instagram account (@NeurostarAdvancedTMS), YouTube account (https://www.youtube.com/user/NeuroStarTMSTherapy) and LinkedIn account (https://www.linkedin.com/company/neuronetics-inc./), in order to achieve broad, non-exclusionary distribution of information to the public. The Company encourages investors and others to review the information it makes public in these locations, as such information could be deemed to be material information. Please note that this list may be updated from time to time. Our website, Facebook page, X account, Instagram account,

YouTube account and LinkedIn account, and the information contained therein or connected thereto, shall not be and is not intended to be incorporated by reference into this Annual Report on Form 10-K or our other filings with the SEC unless otherwise expressly provided.

PART I

Item 1. Business

Overview

Neuronetics, Inc. (the “Company” or “Neuronetics” or the “Registrant”) believes that mental health is as important as physical health. As a global leader in neuroscience, the Company is delivering more treatment options to patients and healthcare providers by offering exceptional in-office treatments that produce extraordinary results. The Company’s first commercial product, the NeuroStar Advanced Therapy System, is a non-invasive and non-systemic office-based treatment that uses transcranial magnetic stimulation (“TMS”), to create a pulsed, magnetic resonance imaging (“MRI”)-strength magnetic field that induces electrical currents designed to stimulate specific areas of the brain associated with mood. The system is cleared by the United States (“U.S.”) Food and Drug Administration (the “FDA”) to treat adult patients with major depressive disorder (“MDD”) who have failed to achieve satisfactory improvement from prior antidepressant medication in the current MDD episode. It is also cleared by the FDA as an adjunct for adults with obsessive-compulsive disorder (“OCD”) and for adolescent patients aged 15-21 with MDD. It is also cleared by the FDA to decrease anxiety symptoms in adult patients with MDD that may exhibit comorbid anxiety symptoms (anxious depression). In addition to selling the NeuroStar Advanced Therapy System and associated treatment sessions to customers, we operate Greenbrook treatment centers (“Treatment Centers”) across the U.S., offering NeuroStar Advanced Therapy. Greenbrook, a leading provider of mental healthcare services, is a wholly owned subsidiary of the Company. The NeuroStar Advanced Therapy System is safe, clinically effective, reproducible and precise and we believe is supported by the largest clinical data set of any competing TMS system. Treatment Centers also obtain SPRAVATO® to treat adults with treatment-resistant depression or depressive symptoms in adults suffering from MDD with acute suicidal ideation or behavior. We believe we are the market leader in TMS therapy based on the estimated 237,574 global patients treated with over 8.5 million of our treatment sessions through December 31, 2025. We generated revenues of $149.2 million for the year ended December 31, 2025.

MDD is a mood disorder characterized by the presence of one or both of two major diagnostic criteria: a depressed mood or loss of interest in pleasure that continues for at least two weeks. The presence of at least one of these diagnostic symptoms must be accompanied by several of the following additional symptoms: sleep disturbance, changes in appetite, sexual dysfunction, anxiety, fatigue, difficulty concentrating and suicidal thinking. MDD is a recurrent disease and follows a fluctuating course over an individual’s lifetime. It can be characterized by periods of remission and relapse.

The World Health Organization (the “WHO”) ranks MDD as the largest contributor to global disability and a major contributor to suicide worldwide. According to a study published in the Journal of PharmacoEconomics in 2021, the economic burden of MDD was estimated to be $326.2 billion, an increase of 37.9% relative to 2010. The WHO estimates indicate the proportion of the global population with depression to be 4.4% and that there are over 300 million people in the world living with depression. Based on U.S. Census Bureau data and a study published in the *Journal of the American Medical Association,* we estimate that approximately 21 million people between the ages of 22 and 70 years in the United States suffer from MDD annually, of whom an estimated 13.9 million, based on data from the *Journal of the American Medical Association*, are being treated by a psychiatrist. We estimate, based on data from the Sequenced Treatment Alternatives to Relieve Depression study (the “STAR*D Study”) that approximately 6.4 million of these patients have failed to achieve remission of their MDD from their prior antidepressant medication therapy and that approximately 3.8 million of those patients have commercial insurance or federal healthcare programs coverage for NeuroStar Advanced Therapy System. As a result, based on our expected revenues for a standard course of treatment, we believe our total annual addressable market opportunity for treatment sessions in the United States is approximately $8.9 billion.

Initial treatment options for MDD often consist of antidepressant medication prescribed by a primary care physician. Although a variety of antidepressant medications are available, drug therapy has at least two

primary limitations: limited effectiveness and treatment-emergent side effects. These limitations were demonstrated in the STAR*D Study, a large clinical trial funded by the U.S. National Institute of Mental Health that enrolled more than 4,000 adult MDD patients at 41 clinical sites to examine the outcomes to a sequenced series of antidepressant medication attempts that mimicked best practices. In the STAR*D Study, only approximately 28% and 21% of patients achieved remission in their first and second medication attempts, respectively. Many patients taking antidepressant medications experience intolerable or troubling side effects that contribute to a delay or failure in attaining an effective or optimal antidepressant dose, poor patient treatment adherence or discontinuation of treatment therapy. The likelihood of achieving remission is limited and declines with each successive medication attempt.

TMS is considered an appropriate therapy for the treatment of MDD patients who have failed to achieve satisfactory improvement from at least one prior antidepressant medication. TMS is typically performed as an office-based procedure using a capital equipment system designed to deliver the magnetic pulses necessary to stimulate the areas of the brain associated with mood. A course of treatment typically requires treatment sessions five times per week for up to six weeks and can last from as short as three to as long as forty-five minutes per session. We believe the effectiveness of TMS depends on the healthcare provider's ability to deliver a precise amount of magnetic pulses to a specific area of the brain in a manner that can be consistently repeated during each treatment session.

We designed the NeuroStar Advanced Therapy System as a non-invasive therapeutic alternative to treat patients who suffer from MDD and to address many of the key limitations of existing treatment options. We believe our NeuroStar Advanced Therapy System provides our provider customers and their patients with several benefits, including clinically demonstrated response and remission with durable results, a demonstrated safety profile with limited treatment-emergent side effects and high patient adherence. Additionally, NeuroStar Advanced Therapy System was designed to provide a precise and reproducible office-based therapy that is efficient and convenient. Our therapy is delivered without general anesthesia or sedation, enabling the patient to drive and resume normal activities immediately following each treatment session. We couple our product's clinical benefits with practice development resources, on-site clinical training and reimbursement and service support to help our provider customers develop a successful NeuroStar Advanced Therapy System practice. We also provide cloud-based practice management solutions that enhance convenience for both providers and patients. Based on our commercial data, we believe providers can recoup their initial capital investment in our system by providing a standard course of treatment to approximately 12 patients, assuming these patients receive reimbursement from federal healthcare programs or commercial insurance at rates that are similar to what our customers have observed for existing and prior patients. We believe psychiatrists can generate approximately $9,000 of average revenue per commercially insured patient for a standard course of treatment, which may provide meaningful incremental income to their practices. We believe that the NeuroStar Advanced Therapy System coupled with these advantages offer significant improvement over competing TMS systems, which lack the ability to reproduce consistent treatments, significant clinical data from randomized outcome trials, practice development resources, and a cloud-based practice management system.

The safety, effectiveness and durability of NeuroStar Advanced Therapy System is supported by a large clinical data set published in 31 articles in peer-reviewed medical journals, including from 15 clinical studies that have collectively enrolled more than 1,000 adult patients suffering from MDD. Dunner, et. al. published results of a naturalistic, prospective, observational trial conducted at 42 U.S. clinical sites in 257 patients who had tried and failed to receive relief from one or more medication trials in their current MDD episode who were treated with an acute course of NeuroStar therapy. Response and remission rates at 12 months were 68% and 45% respectively as measured by Clinical Global Impression-Severity ("CGI-S").

Our growth strategy includes expanding our commercialization efforts in the United States, expanding international opportunities and pursuing pipeline development of our therapy for additional indications. Outside the United States, our products have received marketing authorizations in the European Union and Japan. Our international commercial focus is on Japan, which has the third largest healthcare spend globally.

We are also evaluating the use of enhancements to our NeuroStar Advanced Therapy System to treat additional indications.

We currently sell our NeuroStar Advanced Therapy System and recurring treatment sessions in the United States with the collaborative support of our 658 employees as of December 31, 2025.

We generate NeuroStar revenues from clinic revenue, capital sales of our systems, sales of our recurring treatment sessions, service and repair and extended warranty contracts. We derive the majority of our revenues from clinic and recurring treatment sessions.

For the year ended December 31, 2025, we generated revenues of $149.2 million and had a net loss of $39.1 million. Our revenues increased 99% during the year ended December 31, 2025 compared to the year ended December 31, 2024.

For the year ended December 31, 2025, our U.S. revenues were $146.0 million, compared to $72.5 million for the year ended December 31, 2024, which represented an increase of 101% compared to the prior period. Clinic revenues represented 59% of our U.S. revenues for the year ended December 31, 2025 compared to 6% of our U.S. revenues in the prior year. Revenue from treatment sessions represented 30% of our U.S. revenues for the year ended December 31, 2025, compared to 70% in the prior year.

Greenbrook Acquisition

Effective as of December 9, 2024, the Company completed the acquisition of Greenbrook (the “Arrangement”) whereby the Company acquired all of the issued and outstanding common shares of Greenbrook (the “Greenbrook Shares”), which became a wholly owned subsidiary of the Company. The results of operations and financial position of Greenbrook are included in the Company’s consolidated financial statements from the date of acquisition. Each Greenbrook Share issued and outstanding immediately prior to the effective time of the Arrangement was exchanged for 0.01149 of a share of common stock of Neuronetics (the “Exchange Ratio”) upon closing of the Arrangement.

In connection with and prior to closing of the Arrangement, Madryn Asset Management, LP and its affiliates (collectively, “Madryn”) converted (i) all of the outstanding amount owing under Greenbrook’s credit agreement into 2,056,453,835 Greenbrook Shares, representing 95.3% of the Greenbrook Shares (including the Greenbrook Shares held by Madryn prior to such conversion) immediately prior to closing of the Arrangement and (ii) all of the interim period funding provided by Madryn to Greenbrook into an additional 252,999,770 Greenbrook Shares, which Greenbrook Shares were exchanged for shares of common stock of Neuronetics (“Neuronetics Shares”) at the Exchange Ratio upon closing of the Arrangement.

The Company continues to operate as Neuronetics, Inc., and the Neuronetics Shares continue to trade on the NASDAQ Global Market under the ticker “STIM”.

Greenbrook

Currently operating through 93 company-operated Treatment Centers and company-supported healthcare provider practice groups, Greenbrook is a leading provider of TMS and SPRAVATO (esketamine nasal spray), FDA-cleared, non-invasive therapies for the treatment of MDD and other mental health disorders, in the United States. TMS therapy provides local electromagnetic stimulation to specific brain regions known to be directly associated with mood regulation. SPRAVATO is offered to treat adults with treatment-resistant depression and to treat depressive symptoms in adults with MDD with suicidal thoughts or actions. We have identified the following key opportunity drivers for Greenbrook’s business:

•the safety and efficacy of TMS as a treatment option for patients suffering from MDD and OCD;

•the growing societal awareness and acceptance of depression as a treatable disease and a corresponding reduction in stigma surrounding depression, seeking treatment and mental health issues generally;

•the growing acceptance, but under-adoption, of TMS;

•the poor alignment of TMS treatment with traditional practices of psychiatry which created an opportunity for a new, differentiated service channel;

•the fragmented competitive landscape for TMS, which provides an opportunity for consolidation; and

•the track record of success by the Greenbrook management team in multi-location, center-based healthcare service companies.

Beginning in 2021, Greenbrook commenced its roll-out of SPRAVATO therapy in Treatment Centers to treat treatment-resistant depression in adults and depressive symptoms in adults with MDD with acute suicidal ideation or behavior. Currently, Greenbrook offers SPRAVATO at 83 Treatment Centers within its operating network as of the date of this Annual Report on Form 10-K.

In late 2023, Greenbrook commenced the facilitation of medication management at select Treatment Centers, building on the long-term business plan of utilizing Treatment Centers as platforms for the delivery of innovative treatments to patients suffering from MDD and other mental health disorders.

In 2023 and 2024, Greenbrook implemented a restructuring plan in an effort to continue to accelerate its path to achieve sustainable profitability and long-term growth. As a result of the restructuring plan, Greenbrook closed dozens of underperforming Treatment Centers.

After Greenbrook opened its first Treatment Center in 2011 in Tysons Corner in Northern Virginia, it has grown to control and operate a network of outpatient mental health service centers that specialize in TMS treatment across the United States. Greenbrook offers Treatment Centers in convenient locations to provide easy access to patients and clinicians. As of the date of this Annual Report on Form 10-K, Greenbrook owns and operates 93 Treatment Centers in the states of Alaska, California, Connecticut, Florida, Illinois, Maryland, Massachusetts, Michigan, Missouri, North Carolina, Ohio, Oregon, South Carolina, Texas and Virginia.

Greenbrook's regional model seeks to develop leading positions in key markets and to leverage operational efficiencies by combining smaller local Treatment Centers within a region under a single shared regional management infrastructure. Management regions typically cover a specific metropolitan area that meets a requisite base population threshold. The management region is typically defined by a manageable geographic area that facilitates the use of regional staff working across the various Treatment Center locations within the management region and creates a marketing capture area that allows for efficiencies in advertising costs. Management regions often have similar economic characteristics and are not necessarily defined by state lines, other geographic borders, or differentiating methods of services delivery, but rather are defined by a functional management area.

Our Strategy

Our goal is to maintain and extend our leadership position in TMS therapy for patients with neurohealth disorders and increase the number of patients we treat at Treatment Centers. The key elements of our strategy include:

- ***A diversified business model with strategic advantages from Neuronetics and Greenbrook's combined expertise.*** Neuronetics is now a vertically integrated organization providing greater access to mental health treatments through our collective expertise. NeuroStar is a market leader in transcranial magnetic stimulation with expertise in the following areas:
    - unrivalled Clinical Results: Long-Term Relief for Depression,
    - widely Reimbursed
    - proven Formula for Practice Success
    - top Tier Training and Best Practices
    - comprehensive Direct Sales and Support Team
    - extensive database of real world outcomes

  As a leading mental health provider Greenbrook's expertise includes:
    - Large Network of Clinics
    - Offer in-office treatments for Treating Depression
    - Established and Growing Network of Referring Physicians
    - Centralized, Scalable Business Infrastructure
    - Patient Focused Service

- ***Improve customer targeting and optimize our direct sales and customer support team to accelerate growth.*** To capture new provider customers, we plan to optimize our specialized, direct sales organization that targets MDD treating psychiatric practices that accept reimbursement from private insurance and Medicare. Symphony Health estimates that there are approximately 26,300 group and solo practice sites in the United States with psychiatrists that prescribe antidepressant medications. Our direct sales force primarily targets 53,000 psychiatrists at 26,000 psychiatric practices that treat approximately 13.9 million patients based on data from the *Journal of the American Medical Association*. We estimate, based on data from the STAR*D Study that, approximately 6.4 million of these patients have failed to achieve remission of their MDD from their prior antidepressant medication therapy and that approximately 3.8 million of those patients have commercial insurance or federal healthcare programs coverage for NeuroStar Advanced Therapy System. As a result, based on our expected revenues for a standard course of treatment, we believe our total annual addressable market opportunity for treatment sessions in the United States is approximately $8.9 billion. To reach our target practices, we also plan to optimize our advertising efforts, both online and through more traditional approaches, such as targeting leading psychiatric journals, practice outreach and education through webinars and in person events, attendance at key psychiatric trade shows and sponsoring clinical symposiums and product theaters.

- ***Expanding access to Greenbrook's services through targeted awareness programs and referral pathways.*** Across the U.S., 13.9 million MDD patients are being treated in primary care, behavioral health, and psychiatric practices—many of which rely solely on traditional therapies. Most of these providers are unaware that alternative treatments like NeuroStar TMS and SPRAVATO exist, offering an alternate to antidepressants for patients. To bridge this gap, we strategically deploy Regional Account Managers to educate providers on these innovative therapies and guide them in referring patients to GB centers. Through consistent messaging and outreach, our team builds strong referral pathways, connecting thousands of patients to the care they need and helping them take the next step toward remission.

- ***Increase utilization of our new and existing active customer sites of NeuroStar Advanced Therapy Systems.*** We plan to optimize our sales and customer support team to increase the number of patients treated at new and existing active customer sites using our NeuroStar Advanced Therapy Systems in the United States. As of December 31, 2025, we had 26 NeuroStar practice development managers ("PDMs") focused on helping increase patient utilization of NeuroStar Advanced Therapy System in a practice. Our NeuroStar practice consultants focus their efforts on helping provider customers implement our Better Me Provider Program and our 5 Stars Solution for Practice Success. We intend to continue to optimize marketing resources, such as our marketing portal, which consists of customizable practice development and advertising materials, and digital patient outreach tools, all of which are designed to drive patient awareness and help identify patients who can benefit from NeuroStar TMS within an existing practice and in the local community. We also plan to continue to optimize our direct to consumer marketing programs, which are comprised of paid search, display advertising, social media, billboards, radio and public relations.

- ***Pursue enhancements of our NeuroStar Advanced Therapy System and pipeline development for additional indications.*** We plan to continue our research and development efforts to enhance the hardware and software components of our NeuroStar Advanced Therapy System for the treatment of MDD and other neurohealth disorders.

- ***Offer additional payment models.*** Historically, we have offered products primarily through a standard treatment session model. However, we are piloting new purchasing models, including allowing customers to purchase systems on a capital-only basis (instead of the treatment session model), offering new lease options both directly and through third-party financing partners, and providing standalone support services to capital-only and lease customers who subsequently seek additional services.

Research and Development

We invest in research and development for the use of the NeuroStar Advanced Therapy System in neurohealth disorders. Throughout our history, we have provided material support to more than 104 investigator-initiated trials and are currently considering a number of new indications for the use of the NeuroStar Advanced Therapy System related to neurohealth disorders.

Sales and Customer Support Team and Customer Training

As of December 31, 2025, our sales and customer support team worked collaboratively across the following departments: sales, marketing, field service, customer support, and reimbursement. In 2026, we plan to continue to have a direct sales and customer support team.

Key NeuroStar Customers, Sales and Marketing—United States

We primarily market and sell the NeuroStar Advanced Therapy System and recurring treatment sessions to psychiatrists, with primary care physicians and pain management specialists representing a smaller percentage of our customer base.

We target approximately 53,000 psychiatrists across 26,000 psychiatric practices. We target these practices by the number of providers within their practices, the number of patients they treat and their acceptance of commercial insurance and Medicare. We believe that our customer targeting strategy makes for a well-defined customer base that is accessible by our direct sales organization.

We have structured our sales and customer support team with specialized roles to sell our NeuroStar Advanced Therapy Systems and recurring treatment sessions, while delivering customer service at each stage of the implementation process. Our area sales managers are responsible for identifying key customer prospects, educating them on the value of NeuroStar Advanced Therapy System, gaining their commitment

for capital placement and introducing them to our PDMs. Our PDMs enhance the operational experience for providers and drive implementation of the NeuroStar Advanced Therapy System into our customers' practices. We created the role of clinical training manager to partner with our customers to conduct initial and ongoing on-site clinical training to ensure clinical and practice success.

Practice Management Support and Provider Training—United States

Our PDMs can play an important role in ensuring the success of our customers as they implement a new service line into their practice. In the early stages of implementation, they help the practice set goals, educate on the types of patients that can benefit from our therapy and train the office staff on how to talk with patients about TMS and how to use patient educational tools such as presentations, videos and starter kits. Once the practice begins treating patients, our PDMs will educate the provider on how to track clinical outcomes, interpret data and effectively convey results to existing and potential patients and referring providers. Our PDMs also work with our customers to increase awareness with referring providers and develop external marketing tactics. Our dedicated reimbursement managers help practices navigate issues regarding the reimbursement process including investigation of benefits, prior authorizations and claims documentation.

Providers and staff training on the NeuroStar Advanced Therapy System is a key to success within each practice. Our clinical training managers take the burden of clinical training off our NeuroStar practice consultants and provide a dedicated training resource to each customer. Clinical training managers conduct a hands-on training course that is scheduled after system installation at each practice and also provide ongoing advanced on-site clinical training.

To enhance the work our PDMs do to support customer training and education, our sales training team hosts NeuroStar University courses to educate existing customers on internal best practices that help them improve the patient experience and overall business operations.

Field Support—United States

Our field service engineers are responsible for maintenance, repairs and installation. We provide a support hotline to respond to inquiries and technical questions that arise in all time zones.

International

We market our products in a few select markets outside the United States through independent distributors. In Japan, we have an exclusive distribution agreement for the commercialization of our products. The current term of this distribution agreement expires March 31, 2027, subject to automatic renewal unless terminated by either party.

Greenbrook

We intend to optimize Greenbrook's operations by rolling out our Better Me Provider Program patient responsiveness standards to all 93 Treatment Centers, increasing the number of Treatment Centers that offer SPRAVATO.

Competition

We have competitors that sell other forms of TMS therapy, including Brainsway, Apollo TMS, Magstim, MagVenture, CloudTMS and Nexstim, that compete directly with the NeuroStar Advanced Therapy System. We also face competition from pharmaceutical and other companies that develop products, such as antidepressant medications, for the treatment of neurohealth disorders. New treatment modalities may also pose a threat to our competitive standing. Greenbrook faces competition from other physician practice management firms as well as doctors operating their own practices. However, we believe there is a significant shortage of mental healthcare providers in the United States.

For a more comprehensive discussion of the risks related to our intellectual property, please see “Risk Factors – Risks Related to Our Business and Industry.”

Intellectual Property

Our patent estate includes patents and applications with claims directed to our NeuroStar Advanced Therapy Systems and broader claims for potential future products and developments. On a worldwide basis, as of December 31, 2025, our patent estate included 62 issued or allowed patents and 17 pending patent applications for our products and novel design methods, manufacturing processes, novel TMS devices and systems and future combination products that are mainly designed to treat psychiatric conditions or perform diagnostic procedures. In the United States, as of December 31, 2025, we owned or licensed 26 issued or allowed patents and 8 pending patent applications that are directed to our TMS technology. Outside the United States, as of December 31, 2025, we owned or licensed 36 issued or allowed patents, 8 pending patent applications and one pending Patent Cooperation Treaty application.

These U.S. issued patents are expected to remain in effect until between 2026 and 2040. In 2026, we expect that 3 U.S. patents will expire and 11 non-U.S. patents will expire.

As of December 31, 2025, our non-U.S. patents are expected to remain in effect until between 2026 and 2038. Our worldwide intellectual property portfolio includes multiple pending patent applications relating to methods and apparatuses for the treatment of psychiatric health conditions in Australia, Canada, selected European Union countries, Japan and the United States. Our patents and patent applications mainly relate to iron core technology, including materials, manufacturing methods, geometries, applications, and open core technologies, coil positioning, motor threshold level determination and monitoring, contact sensing, , patient comfort, TMS support technologies and pulse monitoring, and potential next generation technologies as well as design patents. We are currently assessing the long-term value proposition in maintaining patents outside of the United States.

We own trade secrets relating to our technology, and we maintain the confidentiality of proprietary information to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection. We seek to protect our trade secrets and know-how, among other measures, by entering into confidentiality agreements with third-parties, consultants and employees who have access to such trade secrets and know-how.

For a more comprehensive discussion of the risks related to our intellectual property, please see “Risk Factors —Risks Related to Intellectual Property.”

Raw Materials, Manufacturing and Supply

We manage all aspects of product supply through our operations team based in Malvern, Pennsylvania. We outsource the manufacturing of components and high-level assemblies, which are produced and tested to our specifications. We rely on third parties to acquire the raw materials and provide components used in existing products and we expect to continue to do so for future products.

We establish our relationships with our third-party manufacturers and suppliers through supplier contracts and purchase orders. In most cases, these supplier relationships may be terminated by either party upon short notice. As of December 31, 2025, we engaged with Gharieni Group GmbH to supply our chair, Molex Incorporated to supply our SenStar Components, and other companies to supply components of our chairs and treatment packs. We have transitioned our console manufacturing to Ascential Technologies (previously D&K Engineering), collaborating with them on optimizing the global supply chain.

We are exploring adding a second console manufacturing partner to fortify our supply chain.

Reimbursement, Payor Relations and Customer Support

Based on our estimates, over 104 major private insurers in the United States, including the top 25 largest private insurers and federal healthcare programs, have coverage policies for reimbursement of TMS, including NeuroStar Advanced Therapy System, representing over 300 million covered lives or about 95% of the total payor covered lives in the United States.

Government Regulation

Our products and our operations are subject to extensive regulation by the FDA and other federal and state authorities in the United States, as well as comparable authorities in foreign jurisdictions.

FDA

Our products are subject to regulation as medical devices under the U.S. Federal Food, Drug, and Cosmetic Act, as amended (the "FDCA"), as implemented and enforced by the FDA. The FDA regulates the development, design, non-clinical and clinical research, manufacturing, safety, efficacy, labeling, packaging, storage, installation, servicing, recordkeeping, premarket clearance or approval, import, export, adverse event reporting, advertising, promotion, marketing and distribution, and import and export of medical devices to ensure that medical devices distributed domestically are safe and effective for their intended uses and otherwise meet the requirements of the FDCA.

In addition to U.S. regulations, we are subject to a variety of regulations in other jurisdictions governing clinical trials and commercial sales and distribution of our products. Whether or not we obtain FDA clearance or approval for a product, we must obtain authorization before commencing clinical trials or obtain marketing authorization or approval of our products under the comparable regulatory authorities of countries outside of the United States. The marketing authorization process varies from country to country, and the time may be longer or shorter than that required for FDA clearance or approval.

FDA Premarket Clearance and Approval Requirements

Unless an exemption applies, each medical device commercially distributed in the United States requires either FDA clearance of a 510(k) premarket notification or premarket approval ("PMA"). Under the FDCA, medical devices are classified into one of three classes—Class I, Class II or Class III—depending on the degree of risk associated with each medical device and the extent of manufacturer and regulatory control needed to ensure its safety and efficacy. Class I includes devices with the lowest risk to the patient and are those for which safety and efficacy can be assured by adherence to the FDA's General Controls for medical devices, which include compliance with the applicable portions of the quality systems regulation ("QSR"), facility registration and product listing, reporting of adverse medical events, and truthful and non-misleading labeling, advertising, and promotional materials. Class II devices are subject to the FDA's General Controls, and special controls as deemed necessary by the FDA to ensure the safety and efficacy of the device. These special controls can include performance standards, post-market surveillance, patient registries, special labeling requirements, premarket data requirements, and FDA guidance documents. While most Class I devices are exempt from the 510(k) premarket notification requirement, manufacturers of most Class II devices are required to submit to the FDA a premarket notification under Section 510(k) of the FDCA

requesting permission to commercially distribute the device. The FDA's permission to commercially distribute a device subject to a 510(k) premarket notification is generally known as 510(k) clearance. Devices deemed by the FDA to pose the greatest risks, such as life-sustaining, life-supporting or some implantable devices, or devices that have a new intended use, or use advanced technology that is not substantially equivalent to that of a legally marketed device, are placed in Class III, generally requiring approval of a PMA.

Our NeuroStar Advanced Therapy System is classified as a Class II medical device. We initially received marketing authorization of this device through the *de novo* classification process. Subsequently, we have cleared any changes made to our system through the 510(k) clearance process.

510(k) Marketing Clearance Pathway

To obtain 510(k) clearance, we must submit to the FDA a premarket notification submission demonstrating that the proposed device is "substantially equivalent" to a predicate device already on the market. A predicate device is a legally marketed device that is not subject to premarket approval, i.e., a device that was legally marketed prior to May 28, 1976 (pre-amendments device) and for which a PMA is not required, a device that has been reclassified from Class III to Class II or I, or a device that was found substantially equivalent through the 510(k) process. The FDA's 510(k) clearance process usually takes from 30 to 90 days but may take significantly longer if the FDA requires additional information and places the submission on hold for up to an additional 180 days. The FDA may require additional information, including clinical data, to make a determination regarding substantial equivalence. If the FDA agrees that the device is substantially equivalent to a predicate device currently on the market, it will issue a "substantially equivalent" letter, which serves as the clearance to commercially market the device.

If the FDA determines that the device is "not substantially equivalent" to a previously cleared device, the device is automatically designated as a Class III device. The device sponsor must then fulfill more rigorous PMA requirements or can request a risk-based classification determination for the device in accordance with the "de novo" classification process, which is a route to market for novel medical devices that are low to moderate risk and are not substantially equivalent to a predicate device.

Pre-Market Approval Process

A PMA application must be submitted if the medical device is in Class III (although the FDA has the discretion to continue to allow certain pre-amendment Class III devices to use the 510(k) process) or cannot be cleared through the 510(k) process. A PMA application must be supported by, among other things, extensive technical, preclinical, clinical trials, manufacturing and labeling data to demonstrate to the FDA's satisfaction the safety and effectiveness of the device.

After a PMA application is submitted and filed, the FDA begins an in-depth review of the submitted information, which typically takes 180 days, but may take longer if the FDA requests additional information and places the submission on hold for up to an additional 180 days. During this review period, the FDA may request additional information (e.g., clinical or non-clinical data) or clarification of information already provided. Also, during the review period, an advisory panel of experts from outside the FDA will usually be convened to review and evaluate the application and provide recommendations to the FDA as to the approvability of the device. In addition, the FDA will conduct a pre-approval inspection of the manufacturing facility to ensure compliance with the QSR, which imposes elaborate design development, testing, control, documentation and other quality assurance procedures in the design and manufacturing process. The FDA may approve a PMA application with post-approval conditions intended to ensure the safety and effectiveness of the device including, among other things, restrictions on labeling, promotion, sale, distribution and collection of long-term follow-up data from patients in the clinical study that supported approval. Failure to comply with the conditions of approval can result in materially adverse enforcement action, including the loss or withdrawal of the approval. New PMA applications or supplements are required for significant modifications to the manufacturing process, labeling of the product and design of a device that is approved through the PMA process. PMA supplements often require submission of the same type of information as an original PMA

application, except that the supplement is limited to information needed to support any changes from the device covered by the original PMA application and may not require as extensive clinical data or the convening of an advisory panel.

De Novo Classification Process

Medical device types that the FDA has not previously classified as Class I, II, or III are automatically classified as Class III regardless of the level of risk they pose. The Food and Drug Administration Modernization Act of 1997 established a new route to market for low to moderate risk medical devices that are automatically placed into Class III due to the absence of a substantially equivalent predicate device, called the "Request for Evaluation of Automatic Class III Designation," or the *de novo* classification process. This process allows a manufacturer whose novel device is automatically classified as Class III to request down-classification of its medical device into Class I or Class II on the basis that the device presents low or moderate risk, rather than requiring the submission and approval of a PMA application. Prior to the enactment of the Food and Drug Administration Safety and Innovation Act, (the "FDASIA"), in July 2012, a medical device could only be eligible for *de novo* classification if the manufacturer first submitted a 510(k) premarket notification and received a determination from the FDA that the device was not substantially equivalent to a predicate device. The FDASIA streamlined the *de novo* classification pathway by permitting manufacturers to request *de novo* classification directly without first submitting a 510(k) premarket notification to the FDA and receiving a not substantially equivalent determination. We were granted marketing authorization for our system using the *de novo* classification process after receiving a not substantially equivalent determination following the submission of a 510(k) premarket notification.

Clinical Trials

A clinical trial is typically required to support a PMA application or *de novo* classification and is sometimes required for a 510(k) pre-market notification, particularly in the case of changes to indications. Clinical trials for significant risk devices generally require submission of an application for an Investigational Device Exemption ("IDE") to the FDA. The IDE application must be supported by appropriate data, such as animal and laboratory testing results, showing that it is safe to test the device in humans and that the investigational protocol is scientifically sound. The IDE application must be approved in advance by the FDA for a specified number of patients, unless the study is deemed a non-significant risk and eligible for more abbreviated IDE requirements. Clinical trials may begin once the IDE application is approved by the FDA (or abbreviated IDE due to non-significant risk determination) as well as the appropriate institutional review boards at the clinical trial sites, and the informed consent of the patients participating in the clinical trial is obtained. After a trial begins, the FDA may place it on hold or terminate it if, among other reasons, it concludes that the clinical subjects are exposed to an unacceptable health risk. Any trials we conduct must be conducted in accordance with FDA regulations as well as other federal regulations and state laws concerning human subject protection and privacy. Moreover, the results of a clinical trial may not be sufficient to obtain clearance or approval of the product.

Changes to Marketed Devices

After a device receives 510(k) marketing clearance, or de novo classification, any modification that could significantly affect its safety or efficacy, or that would constitute a major change or modification in its intended use, will typically require a new 510(k) marketing clearance but may, depending on the modification, require a de novo classification or PMA. Depending on the scope of the change, a traditional, special, or abbreviated 510(k) application may be submitted. Compared to a traditional 510(k), a special 510(k) application may be used in special cases where: 1) the manufacturer makes a change to their own device; 2) performance data is unnecessary or well-established methods are available to evaluate the change; and 3) performance data necessary to demonstrate substantial equivalence can be presented in a summary or risk analysis format. In this case, the review time is shorter (approximately 30 days), compared to the review time of approximately 90 days for the traditional 510(k) pathway. Alternatively, the abbreviated 510(k) pathway may be used when the submission relies on FDA guidance documents, demonstration of compliance with special controls for the

device type, and voluntary consensus standards. This pathway has a review time of approximately 90 days. The FDA requires each manufacturer to determine which pathway is most appropriate; however, in the event that the FDA disagrees with a manufacturer's determination, it may ask the manufacturer to convert its application to another type (e.g., if the FDA determines that it requires additional information about the performance testing beyond the summary data, it may ask the manufacturer to convert a special 510(k) to a traditional 510(k)).

Many minor modifications today are accomplished by a manufacturer documenting the change in an internal letter-to-file (a "LTF"). The LTF is documented in lieu of submitting a new 510(k) or PMA to obtain clearance or approval for every change and includes the rationale for why a submission was not filed. The changes contained in the LTFs are then summarized and included within the following 510(k) or PMA submission. The FDA will review these changes during the submission process or during an inspection. If the FDA disagrees with a manufacturer's determination, the FDA can require the manufacturer to cease marketing or request the recall of the modified device until 510(k) marketing clearance or PMA is obtained. Also, in these circumstances, we may be subject to significant regulatory fines or penalties.

Post-Market Regulation

After a device is cleared or approved for marketing, numerous and pervasive regulatory requirements continue to apply. These include:

- establishment registration and device listing with the FDA;
- QSR requirements, which require manufacturers, including third-party manufacturers and contract manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all aspects of the design and, manufacturing, and distribution process;
- labeling and marketing regulations, which require that promotion is truthful, not misleading, fairly balanced and provide adequate directions for use and that all claims are substantiated, and also prohibit the promotion of products for unapproved or "off-label" uses and impose other restrictions on labeling; FDA guidance on off-label dissemination of information and responding to unsolicited requests for information;
- clearance or approval of product modifications to 510(k)-cleared devices that could significantly affect safety or efficacy or that would constitute a major change in intended use of one of our cleared devices;
- medical device reporting regulations, which require that a manufacturer report to the FDA if a device it markets may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device that it markets would be likely to cause or contribute to a death or serious injury or serious adverse events, if the malfunction were to recur;
- correction, removal and recall reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health;
- complying with regulations requiring Unique Device Identifiers on devices and also requiring the submission of certain information about each device to the FDA's Global Unique Device Identification Database;
- the FDA's recall authority, whereby the agency can order device manufacturers to recall from the market a product that is in violation of governing laws and regulations; and

- post-market surveillance activities and regulations, which apply when deemed by the FDA to be necessary to protect the public health or to provide additional safety and efficacy data for the device.

We may be subject to similar foreign laws that may include applicable post-marketing requirements, such as ongoing safety/ malfunction surveillance and risk management. Our manufacturing processes are required to comply with the applicable portions of the QSR, which cover the methods and the facilities and controls for the design, manufacture, testing, production, processes, controls, quality assurance, labeling, packaging, distribution, installation and servicing of finished devices intended for human use. The QSR also requires, among other things, maintenance of a device master file, device history file, and complaint files. As a manufacturer, we are subject to periodic scheduled or unscheduled inspections by the FDA. Our failure to maintain compliance with the QSR requirements could result in the shut-down of, or restrictions on, our manufacturing operations and the recall or seizure of our products. The discovery of previously unknown problems with any of our products, including unanticipated adverse events or adverse events of increasing severity or frequency, whether resulting from the use of the device within the scope of its clearance or off-label by a physician in the practice of medicine, could result in restrictions on the device, including voluntary or mandatory device corrections or removals.

The FDA has broad regulatory compliance and enforcement powers. If the FDA determines that we failed to comply with applicable regulatory requirements, it can take a variety of compliance or enforcement actions, which may result in any of the following sanctions:

- warning letters, untitled letters, fines, injunctions, consent decrees and civil penalties;
- recalls, withdrawals, or administrative detention or seizure of our products;
- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying requests for 510(k) marketing clearance or PMAs of new products or modified products;
- withdrawing 510(k) clearances or PMAs that have already been authorized;
- refusal to authorize export or import approvals for our products; or
- criminal prosecution.

U.S. and Foreign Healthcare Laws and Compliance Requirements

Healthcare providers, physicians and third-party payors play a primary role in the recommendation, prescription and payment for medical treatments. A medical device manufacturer's arrangements with third-party payors, providers and patients may expose it to broadly applicable fraud and abuse and other healthcare laws and regulations that may affect its business or the financial arrangements and relationships through which it markets, sells and distributes its products. Even if a medical device manufacturer does not control referrals of healthcare services or bill directly to Medicare, Medicaid, other federal healthcare programs, or other third-party payors, federal and state healthcare laws and regulations are applicable to its business. In addition, a portion of our business is subject to the Health Insurance Portability and Accountability Act of 1996, ("HIPAA"), as a business associate of our covered entity customers. To provide our covered entity customers with services that involve the use or disclosure of protected health information ("PHI"), we are required to enter into business associate agreements. As a business associate, we are also

directly liable for compliance with HIPAA. The laws that may affect a medical device manufacturer's ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b) (the "AKS"), which prohibits any person or entity from, among other things, knowingly and willfully soliciting, receiving, offering or paying any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of an item or service reimbursable, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. The term "remuneration" has been broadly interpreted to include anything of value. The government can establish a violation of the AKS without proving that a person or entity had actual knowledge of the law or a specific intent to violate. Moreover, the government may assert that a claim for reimbursement that includes items resulting from a violation of the AKS constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act, 31 U.S.C. § 3729 (the "FCA"). Although there are a number of statutory exceptions and regulatory safe harbors to the AKS protecting certain common business arrangements and activities from prosecution or regulatory sanctions, the exceptions and safe harbors are drawn narrowly. Practices that involve assisting patients with identifying providers of healthcare services, offering remuneration, including discounts, rebates and direct compensation, to those who prescribe, purchase, study or recommend medical device products, or engaging individuals as speakers, consultants, researchers or advisors, may be subject to scrutiny if they do not fit squarely within an exception or a safe harbor. Our practices may not in all cases meet all of the criteria for safe harbor protection from anti-kickback liability. Moreover, there are no safe harbors for many common practices, such as reimbursement support programs, educational or research grants, or charitable donations;

- the federal civil and criminal false claims laws and civil monetary penalty laws, such as the FCA, which can be enforced by private citizens through civil qui tam actions, prohibits individuals or entities from, among other things, knowingly presenting, or causing to be presented, false, fictitious or fraudulent claims for payment of federal funds, and knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to avoid, decrease or conceal an obligation to pay money to the federal government. The Social Security Act also has a provision that provides for the imposition of civil monetary penalties against any person who offers or transfers remuneration to a Medicare or Medicaid beneficiary that such person knows or should know is likely to influence the beneficiary's selection of a particular provider, practitioner, or supplier for the order or receipt of any item or service payable by a federal health care program. Private individuals, commonly known as "whistleblowers," can bring FCA qui tam actions on behalf of the government and themselves, and may share in amounts paid by the entity to the government in recovery or settlement. FCA liability is potentially significant in the healthcare industry because the statute provides for treble damages and mandatory penalties of $14,308 to $28,619 (subject to future increase) per false or fraudulent claim or statement. Many pharmaceutical and medical device manufacturers have been investigated and have reached substantial settlements under the FCA in connection with alleged off label promotion of their products and allegedly providing free products to customers with the expectation that the customers would bill federal health care programs for the product. In addition, a claim including items or services resulting from a violation of the AKS constitutes a false or fraudulent claim for purposes of the FCA. As a result of a modification made by the Fraud Enforcement and Recovery Act of 2009, a claim includes "any request or demand" for money or property presented to the U.S. government. In addition, manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims. There are also criminal penalties, including imprisonment and criminal fines, for making or presenting false, fictitious or fraudulent claims to the federal government;

- the federal physician self-referral law ("Stark Law") prohibits, subject to exceptions, referring Medicare patients for "designated health services" ("DHS") to entities with which a referring physician (or immediate family member) maintains a "financial relationship." States (as required in order to

maintain Medicaid funding) have further enacted similar prohibitions that apply to Medicaid, as well as other insurance programs, and which may be more restrictive than the Stark Law. Persons who attempt to circumvent these laws or submit (or cause others to submit) claims to payors in violation of these laws may be subject to significant civil and criminal penalties. As such, we are generally prohibited from billing for any services referred in violation of these laws. Importantly, we do not provide DHS and do not bill payors for DHS (or any other items or services). While we manufacture and sell equipment and supplies to our customers, we are not a Medicare supplier. TMS furnished outside of a hospital typically does not constitute DHS. However, Stark Law DHS includes "outpatient prescription drugs," which may include SPRAVATO dispensed by physician groups with whom we maintain contracts to provide administrative support. In instances in which we maintain contractual arrangements with physicians or hospitals, we have no reason to believe that we are engaged in assisting any person with circumventing these laws. Notably, however, the Stark Law is a strict liability statute and compliance with the Stark Law or analogous state law is difficult to assure;

- HIPAA, among other things, established various criminal health care fraud laws, which impose criminal liability for executing or attempting to execute a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and creates federal criminal laws that prohibit knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation, or making or using any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the AKS, a person or entity does not need to have actual knowledge of the applicable statute or specific intent to violate it or to have committed a violation;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH"), and their implementing regulations, which imposes privacy, security, transmission and breach reporting obligations with respect to individually identifiable health information upon "covered entities" subject to the law, including health plans, healthcare clearinghouses and certain healthcare providers and their respective business associates that perform services on their behalf that involve individually identifiable health information. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions;

- federal and state antitrust law may limit contracting relationships or the sharing of cost or pricing data amongst healthcare providers, and may prohibit or limit healthcare providers from acting collectively to jointly contract with payors or negotiate reimbursement rates, depending upon whether certain network or joint ventures maintain sufficient financial or clinical integration;

- the federal physician payment transparency requirements, sometimes referred to as the "Physician Payments Sunshine Act," created under the Patient Protection and Affordable Care Act ("PPACA"), which requires, among other things, certain manufacturers of drugs, devices, biologics and medical supplies reimbursed under Medicare, Medicaid, or the Children's Health Insurance Program (with certain exceptions) to report annually to the United States Department of Health and Human Services, Centers for Medicare and Medicare Services,("CMS"), information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), other professionals (physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, and certified nurse-midwives) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and

- foreign and state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws, that may impose similar or more prohibitive restrictions, and may apply to items or services reimbursed by any non-governmental third-party payors, including private insurers; state laws that require device manufacturers to comply with the industry's voluntary compliance guidelines and the applicable compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state laws that require device manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information; and other federal and state laws that govern the privacy and security of health information or personally identifiable information in certain circumstances, including state health information privacy and data breach notification laws which govern the collection, use, disclosure, and protection of health-related and other personal information, many of which differ from each other in significant ways and often are not pre-empted by HIPAA, thus requiring additional compliance efforts and data privacy and security laws and regulations in foreign jurisdictions that may be more stringent than those in the United States (such as the European Union, which adopted the GDPR, which became effective in May 2018).

Because of the breadth of these laws and the narrowness of their statutory exceptions and regulatory safe harbors, it is possible that some of a medical device manufacturer's business activities could be subject to challenge under one or more of these laws. The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry.

Ensuring that business arrangements with third parties comply with applicable healthcare laws and regulations is costly and time consuming. If a medical device manufacturer's operations are found to be in violation of any of the laws described above or any other governmental regulations that apply to it, it may be subject to penalties, including civil, criminal and administrative penalties, damages, fines, disgorgement, substantial monetary penalties, individual imprisonment, exclusion from governmental funded healthcare programs, such as Medicare and Medicaid, additional reporting obligations and oversight if it becomes subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, reputational harm, diminished profits and future earnings, and the curtailment or restructuring of operations, any of which could adversely affect the ability of a medical device manufacturer to operate its business and the results of its operations.

United States Healthcare Reform

In the United States, a number of legislative and regulatory proposals have been considered or enacted to change the healthcare system in ways that could affect a medical device manufacturer's business. Among policy makers and governmental and private insurers in the United States, there is significant interest in promoting changes in healthcare systems with the stated goals of containing healthcare costs, improving quality or expanding access. For example, in 2010, the PPACA was enacted, which include measures to significantly change the way health care is financed by both governmental and private insurers, and significantly impacts the medical device industry. Among other ways in which it may impact a medical device manufacturer's business, the PPACA:

- established a Patient-Centered Outcomes Research Institute to oversee and identify priorities in comparative clinical efficacy research in an effort to coordinate and develop such research;

- required manufacturers to report certain payments and other transfers of value pursuant to the Physician Payments Sunshine Act, described above;

- implemented payment system reforms including a national pilot program on payment bundling to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models; and

- expanded the eligibility criteria for Medicaid programs and, originally, required certain employers to provide, and all individuals to obtain, health insurance.

Some of the provisions of the PPACA have yet to be implemented, and there were judicial and congressional challenges to certain aspects of the PPACA, as well as efforts by the Trump administration to repeal or replace certain aspects of the PPACA. In the past, Congress has considered legislation that would repeal or repeal and replace all or part of the PPACA. For example, in 2017 Congress effectively eliminated the individual mandate, which could result in adverse selection and decreased utilization of reimbursable healthcare services, such as those offered by healthcare providers via use of our products. Additionally, in 2019, Congress repealed a (repeatedly delayed) medical device excise tax previously passed under the PPACA. There is no way to know whether, and to what extent, if any, the PPACA will remain in-effect in the future, and it is unclear how judicial decisions, subsequent appeals, or other efforts to repeal and replace or, possibly, to restore the PPACA will impact the U.S. healthcare industry or our business.

Recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several U.S. congressional inquiries and proposed federal legislation designed to, among other things, bring more transparency to product pricing, reduce the cost of certain products under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies. At the state level, individual states in the United States are also increasingly passing legislation and implementing regulations designed to control product pricing or manufacturer interactions with healthcare providers, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures.

It is likely that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for a medical device manufacturer's products or additional pricing pressure.

We cannot predict the impact that health care reform will have on our business, and there is uncertainty as to what healthcare programs and regulations may be implemented or changed at the federal or state level in the United States, or the effect of any future legislation or regulation. However, it is possible that such initiatives could have an adverse effect on our ability to obtain approval or successfully commercialize products in the United States in the future. For example, U.S. federal government and state legislatures have continued to implement cost containment programs, including price controls and restrictions on coverage and reimbursement. To contain costs, governmental healthcare programs and third-party payers are increasingly challenging the price, scrutinizing the medical necessity, and reviewing the cost-effectiveness of medical treatments. Any changes that reduce, or impede the ability to obtain, reimbursement for the type of products we intend to commercialize in the United States (or our products more specifically, if approved) or reduce medical procedure volumes could adversely affect our business plan to introduce our products in the United States.

The current presidential administration and Congress have issued numerous executive orders and budget proposals calling for changes to policies or procedures of federal agencies. Extensive changes to federal policy may impact revenues we receive from Medicare, as well as funds available for research, compliance costs or potential liability related to noncompliance. For example, published directives and spending proposals attempt to eliminate specific healthcare procedures, discontinue certain federal contracting, withhold federal research funds, and reduce and restrict Medicare and Medicaid funding and reimbursement. Certain subsidies previously available to individuals through the PPACA have expired and may not be renewed. A decrease in the availability or attainment of health insurance broadly may limit the number of

individuals who seek medical treatment, including from providers that purchase our products or providers to whom we provide administrative services. It is too early to predict the impact of these directives or the extent of their future implementation.

Japanese Regulation

In Japan, medical devices are regulated mainly under the Pharmaceutical and Medical Device Act. This act was implemented on November 25, 2014 and served as a revision to the original Pharmaceutical Affairs Law of 2005. Under this regulation, medical devices must be approved prior to importation and commercial sale by the Pharmaceutical Medical Device Agency ("PMDA") and Ministry of Health and Welfare ("MHLW"). The PMDA is the MHLW-created, quasi-independent agency that was established to review and approve pharmaceutics and medical devices for marketing in Japan. They are also responsible for Japan Good Manufacturing Practices audits, clinical studies oversight, and facility licensing. The approval process identifies a Marketing Authorization Holder ("MAH"), who is designated as the only authorized seller of products. Manufacturers of medical devices outside of Japan who do not operate through a Japanese entity are able to designate a MAH, known as a designated MAH ("D-MAH"), who will apply for product approval and take responsibility for the medical device within Japan. After receiving PMDA's recommendations for marketing approval, the MHLW will ultimately evaluate and approve those pharmaceutics and medical devices deemed to be safe and effective. As part of its approval process, the MHLW may require that the product be tested in Japanese laboratories. The approval process ranges in length between two and twelve months, depending on the submission type (e.g., Todokede – for Class I devices, Ninsho – for Class II and III devices, or Shonin for Class II through IV devices). Since the NeuroStar Advanced Therapy System is classified as a Class III under Japanese law, Neuronetics has followed the Shonin process for pre-market approval. After approval is received, the MHLW issues a Shonin approval to Neuronetics' D-MAH, thereby permitting such entity to import the device into Japan for sale. The MHLW is also responsible for creating policies, regulations, guidance documents, and laws, and governs safe use of medical products as well as for social insurance, reimbursement policies, and pricing.

After a device is approved for importation and commercial sale in Japan, the MHLW continues to monitor sales of approved products for compliance with labeling regulations, which prohibit promotion of devices for unapproved uses, and reporting regulations, which require reporting of product malfunctions, including serious injury or death caused by any approved device. Failure to comply with applicable regulatory requirements can result in enforcement action by the MHLW, which may include fines, injunctions, and civil penalties, recall or seizure of our products, operating restrictions, partial suspension or total shutdown of sales in Japan, or criminal prosecution.

Other International Regulation

Sales and marketing of medical devices outside of the United States are subject to foreign regulatory requirements that vary widely from country to country. The global regulatory environment is increasingly stringent and unpredictable. Several countries that did not have regulatory requirements for medical devices have established such requirements in recent years, and other countries have expanded, or plan to expand, their existing regulations. While harmonization of global regulations has been pursued, requirements continue to differ significantly among countries. We expect this global regulatory environment will continue to evolve, which could impact the cost, the time needed to approve, and ultimately, our ability to maintain existing approvals or obtain future approvals for our products. The time required to obtain appropriate marketing authorizations from other foreign authorities may be substantially longer or shorter than required for FDA approval. Some countries may not require any special registration process prior to importing and marketing the device. Whether or not we have obtained FDA approval, our NeuroStar Advanced Therapy System may be subject to different regulatory requirements in other jurisdictions. The foreign regulatory approval process includes all the risks associated with FDA regulation, as well as country-specific regulations.

Other Regulations

Import-export. Our international operations enable us to be subjected to laws regarding sanctioned countries, entities and persons, customs, and import-export. Among other things, these laws restrict, and in some cases can prevent, U.S. companies from directly or indirectly selling goods, technology or services to people or entities in certain countries. In addition, these laws require that we exercise care in our business dealings with entities in and from foreign countries.

Data Privacy and Cybersecurity Laws and Regulations. As a business with a significant global footprint, compliance with evolving regulations and standards in data privacy and cybersecurity (relating to the confidentiality and security of our information technology systems, products such as medical devices, and other services provided by us) may result in increased costs, lower revenue, new complexities in compliance, new challenges for competition, and the threat of increased regulatory enforcement activity. Our business relies on the secure electronic transmission, storage and hosting of sensitive information, including personal information, financial information, intellectual property, and other sensitive information related to our customers and workforce.

For example, in the U.S. the collection, maintenance, protection, use, transmission, disclosure and disposal of certain personal information and the security of medical devices are regulated at the U.S. federal and state, and industry levels. U.S. federal and state laws protect the confidentiality of certain patient health information, including patient medical records, and restrict the use and disclosure of patient health information by health care providers. In addition, the FDA has issued guidance advising manufacturers to take cybersecurity risks into account in product design for connected medical devices and systems, to assure that appropriate safeguards are in place to reduce the risk of unauthorized access or modification to medical devices that contain software and reduce the risk of introducing threats into hospital systems that are connected to such devices. The FDA also issued guidance on the post market management of cybersecurity in medical devices.

Outside the U.S., we are impacted by the privacy and data security requirements at the international, national and regional level, and on an industry specific basis. Legal requirements in these countries relating to the collection, storage, handling and transfer of personal data and, potentially, intellectual property continue to evolve with increasingly strict enforcement regimes.

Human Capital

Employees

As of December 31, 2025, we had 658 full-time employees working collaboratively across our sales and customer support team, in research and development, including clinical, regulatory and certain quality functions, operations and in general and administrative. All of our employees are employed full-time. We have never had a work stoppage and none of our employees are covered by collective bargaining agreements or represented by a labor union. We believe that our employee relations are strong.

We recruit employees with the skills and training relevant to functional responsibilities. We believe that cultural fit and energy are important considerations. We assess the likelihood that a particular candidate will contribute to the Company's overall goals, and beyond their specifically assigned tasks. We aim to provide market-based compensation and work to retain our employees for many years. During 2025, the Company continued to offer a two-day work from home policy for non-remote employees to provide personal flexibility and support employees in managing family priorities.

Development

Developing employees contributes to growing our business. The Company has leadership development programs which bring a consistent approach to leadership development that all managers and directors are

encouraged to attend. The Company also provides learning opportunities for all employees to continue to progress their development and career at the Company.

Culture

A diverse and welcoming culture that provides equal opportunities helps the Company remain competitive, advance its innovative culture, and serve customers. The Company focuses on attracting and advancing top talent as well as advancing initiatives that enhance belonging and broad representation.

Compensation and Benefits

In addition to a professional work environment that promotes innovation and rewards performance, our total compensation for employees includes a variety of components that support sustainable employment and the ability to build a strong financial future, including competitive market-based pay, share-based compensation awards, and comprehensive benefits. In addition to earning a base salary, eligible employees are compensated for their contributions to the Company's goals with cash incentives and long-term equity-based incentives. The Company is committed to providing fair and equitable pay for employees. Eligible full-time employees also have access to medical, dental, and vision plans; savings and retirement plans; and other benefits. During 2025, we integrated the US Neuronetics and Greenbrook health benefit plans for equal coverage and company contributions.

Corporate Information

We were incorporated in Delaware in April of 2003. Our principal executive offices are located at 3222 Phoenixville Pike, Malvern, Pennsylvania 19355, and our telephone number is (877) 600-7555. Our website address is https://neurostar.com/neuronetics/. We make available, free of charge on our website, our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file those reports with, or furnish them to, the SEC. The SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, which can be found at http://www.sec.gov. The information contained on, or accessible through, our website is not incorporated by reference into this Annual Report on Form 10-K, and you should not consider any information contained in, or that can be accessed through, our website as part of this Annual Report on Form 10-K.

Summary Risk Factors

An investment in shares of our common stock involves significant risks. See the "Risk Factors" section of this Annual Report on Form 10-K. These risks include, among others:

- We have incurred losses in the past and may be unable to achieve or sustain profitability in the future.
- If insurance coverage is unavailable or reimbursement from third-party payors for treatments using our products and services significantly declines, providers may be reluctant to use our products and services and our revenues, earnings and cash flows at our Treatment Centers would be substantially reduced.
- Our success depends upon patient satisfaction with the effectiveness of our NeuroStar Advanced Therapy System.
- We operate in a very competitive environment and if we are unable to compete successfully against our existing or potential competitors, our sales and operating results may be negatively affected.

- The loss of certain members of our senior management or our inability to attract and retain highly skilled executives, salespeople, product development, clinicians in our Treatment Centers and other personnel could negatively impact our business.

- We rely on single-source suppliers for some components used in our NeuroStar Advanced Therapy System and on a single manufacturer for the assembly of our NeuroStar Advanced Therapy System, and we may be unable to find replacements or immediately transition to alternative parties for these components.

- We rely on a network of third-party distributors to market and distribute our products internationally, and if we are unable to maintain and expand this network, we may be unable to generate anticipated sales.

- We are subject to certain federal, state and foreign fraud and abuse laws, health information privacy and security laws and transparency laws, which, if violated, could subject us to substantial penalties. Additionally, any challenge to or investigation into our practices under these laws could cause adverse publicity and be costly to respond to, and thus could harm our business.

- If we experience significant disruptions in our information technology systems, our business may be adversely affected.

- Our business may fail to realize the anticipated benefits, and integration efforts have placed significant demands on the Company.

- The Company's failure to meet the continued listing requirements of Nasdaq could result in a delisting of our common stock.

- Failure to timely or accurately bill for services could have a negative impact on our revenue and cash flow. We have had difficulty processing claims.

- We may be subject to fines, penalties, and other sanctions if we fail to comply with laws governing our business. Our business may be subject to additional federal, state and foreign laws.

- Our ability to obtain SPRAVATO from our suppliers on a timely basis at competitive costs could suffer as a result of events that adversely affect our suppliers or cause disruptions in their businesses.

- Our revenue may be negatively impacted if third-party payors impose additional requirements or reduce reimbursement rates.

- Our products and services and operations are subject to extensive government regulation and oversight both in the United States and abroad, and our failure to comply with applicable requirements could harm our business. Additionally, the effect of the uncertainty relating to potential future changes to government regulation may increase our costs.

- Modifications to our products may require new 510(k) clearances, *de novo* classification or PMAs, and may require us to cease marketing or recall the modified products until clearances are obtained.

- Our products must be manufactured in accordance with federal and state regulations, and we could be forced to recall our installed systems or terminate production if we fail to comply with these regulations.

- Our products and services may cause or contribute to adverse medical events that we are required to report to the FDA, and if we fail to do so, we would be subject to sanctions that could harm our

reputation, business, financial condition and results of operations. The discovery of serious safety issues with our products or services, or a recall of our products either voluntarily or at the direction of the FDA or another governmental authority, could have a negative impact on us.

- Our operating results are directly dependent upon the sales and marketing efforts of our sales and customer support team as well as our field sales personnel in the United States and our independent third-party distributors outside of the United States. If our employees or our independent distributors fail to adequately promote, market and sell our products, our sales could significantly decrease.

- Regulatory and compliance requirements associated with our billing and collections system could have a material adverse effect on our revenues, cash flows and operating results.

- We may become subject to professional malpractice liability, which could be costly and negatively impact our business.

- If we are not able to obtain and enforce patent protection for our technologies, products, or product candidates, development and commercialization of our products and product candidates may be adversely affected.

- We may need to raise additional capital to fund our existing commercial operations, develop and commercialize new products and expand our operations.

- The terms of our credit facility place restrictions on our operating and financial flexibility and could subject us to potential default. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.

- There is a concentration of ownership of our common stock by Madryn Asset Management, LP, or Madryn, and Madryn may exert substantial influence over the Company's business, and the interest of Madryn may conflict with those interests of other stockholders.

Item 1A. Risk Factors.

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below and the other information contained in this Annual Report on Form 10-K before deciding whether to invest in our common stock. The occurrence of any of the events or developments described below could harm our business, financial condition, results of operations and prospects. As a result, the market price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

We have incurred losses in the past and may be unable to achieve or sustain profitability in the future.

We have incurred net losses since inception, including net losses of $39.1 million and $43.7 million for the years ended December 31, 2025 and 2024, respectively. As a result of ongoing losses, as of December 31, 2025, we had an accumulated deficit of $458.8 million. We expect to continue to incur significant integration, sales and marketing, product development, regulatory and other expenses as we continue to expand our marketing efforts to increase adoption of our products and services and expand existing relationships with our customers, to obtain regulatory clearances or approvals for our products in additional countries and for additional indications, integrate the Greenbrook business, and to develop new products or add new features to our existing products. The net losses we incur may fluctuate significantly from quarter to quarter. We will need to generate significant additional revenues to achieve and sustain profitability, and even if we achieve profitability, we cannot be sure that we will remain profitable for any

substantial period of time. Our failure to achieve or maintain profitability could negatively impact the value of our common stock.

We rely on the sale of our NeuroStar Advanced Therapy System and treatment sessions to generate revenues.

We rely, in part, on the sale of our NeuroStar Advanced Therapy System and treatment sessions to generate revenues, and we expect to generate a substantial portion of our revenues in the foreseeable future from sales of these and any related products and services. Because the market for TMS therapy is still developing and contains a limited number of market participants, sales of our products could be negatively impacted by unfavorable market reactions to our or other TMS devices. If the use of our or other TMS therapies results in serious adverse events, or such products malfunction or are misused, patients and providers may attribute such negative events to TMS therapy generally, which may adversely affect market adoption of our products and services. Additionally, if patients undergoing treatment with a NeuroStar Advanced Therapy System perceive the benefits to be inadequate or adverse events too numerous or severe compared to the relevant rates of alternative TMS therapies or pharmaceutical options, it will be difficult to demonstrate the value of our NeuroStar Advanced Therapy System to patients and providers. As a result, demand for and the use of our NeuroStar Advanced Therapy System may decline or may not increase at the pace or to the levels we expect.

Our business and ability to meet obligations to our customers may be disrupted and our results of operations, financial condition, cash flows and liquidity

may be adversely affected by a global pandemic or epidemic diseases.

Our operations and interactions with healthcare systems, providers and patients expose us to risks associated with public health crises, including epidemics and pandemics. A global pandemic including corresponding preventative and precautionary measures that we and other businesses, communities and governments may take to mitigate the spread of such disease, may lead to restrictions on, disruptions in, and other related impacts on business and personal activities, which may adversely impact our business and liquidity.

The significance of the impact of a global pandemic on our operations depends on numerous evolving factors that we may not be able to accurately predict or effectively respond to, including, among others:

- the effect on global economic activity, financial markets and the resulting impact on our customers' businesses, their credit and liquidity, and their demand for our solutions and services, as well as their ability to pay;
- our ability to deliver and implement our solutions in a timely manner, including as a result of supply chain disruptions and related cost increases; and
- actions taken by U.S., foreign, state, and local governments, suppliers, and individuals in response to the outbreak (including the extent of travel restrictions and business closures).

If insurance coverage is unavailable or reimbursement from third-party payors for treatments using our products or services significantly declines, providers may be reluctant to use our products or services and our revenues, earnings and cash flows at our Treatment Centers would be substantially reduced.

In the United States, sales of our products and services will depend, in part, on the extent to which the treatment sessions using our products and services are covered and reimbursed by third-party payors,

including private insurers and government healthcare programs. Even if a third-party payor covers a particular treatment that uses our products, the resulting reimbursement rate may not be adequate to cover a provider's cost to purchase our products and services or ensure such purchase is profitable for the provider. Further, patients who are treated in-office for a medical condition generally rely on third-party payors to reimburse all or part of the costs associated with the treatment and may be unwilling to undergo such treatment in the absence of coverage and adequate reimbursement, or due to large annual deductibles associated with certain health insurance plans.

Reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that a treatment is neither experimental nor investigational, safe, effective, medically reasonable and necessary (which may include provision of treatment only in the absence of certain alternatives), appropriate for the specific patient, cost-effective, supported by peer-reviewed medical journals or included in clinical practice guidelines.

In the United States, there is no uniform policy of coverage and reimbursement among third-party payors. Third-party payors often rely upon Medicare coverage policies and payment limitations in setting their own reimbursement policies, but also have their own methods and approval process apart from Medicare coverage and reimbursement determinations. Therefore, coverage, reimbursement and utilization guidelines for treatments may differ significantly from payor to payor. Decisions regarding the extent of coverage and amount of reimbursement to be provided for an in-office treatment are made on a plan-by-plan basis. One payor's determination to provide coverage for a specific treatment does not ensure that other payors will also provide coverage, and adequate reimbursement.

In addition, the federal government and state legislatures have continued to implement cost containment programs, including price controls and restrictions on coverage and reimbursement. To contain costs, governmental healthcare programs and third-party payors are increasingly challenging the price, scrutinizing the medical necessity and reviewing the cost-effectiveness of medical treatments. Temporary subsidies available in conjunction with the purchase of certain private health insurance have expired and may not be revived. Eligibility for Medicaid has recently been subject to additional restrictions. Reductions in the availability or attainment of health insurance, overall, may impact the number of individuals seeking treatment.

Outside of the United States, reimbursement systems vary significantly by country. Many foreign markets, including Japan, have government-managed healthcare systems that govern reimbursement for psychiatric treatments and procedures. Additionally, some foreign reimbursement systems provide for limited payments in a given period and therefore result in extended payment periods. If adequate levels of reimbursement from third-party payors outside of the United States are not obtained, international sales of our products may not materialize or grow significantly.

The marketability of our products and services may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement. Even if favorable coverage and reimbursement status is attained, less favorable coverage policies and reimbursement rates may be implemented in the future.

Our Treatment Center revenue levels are affected by the percentage of patients with higher-paying commercial insurance coverage. A patient's insurance coverage may change for a number of reasons, including changes in the patient's or a family member's employment status. If there is a significant change in our payor mix, resulting in a reduction in the number of patients with higher-paying commercial insurance plans declining, our revenues, earnings and cash flows could be substantially reduced.

If we are unable to adequately train providers on the safe and appropriate use of our products and services, we may be unable to achieve our expected growth.

There is a learning process involved for treatment providers to become proficient in the use of our products and services, which requires us to spend considerable time and resources for training. It is critical to the success of our commercialization efforts to train a sufficient number of providers and to provide them with

adequate, ongoing instruction and training in the use of our products and services. This training process generally requires providers to review and study product materials, engage in multi-day, hands-on training sessions for up to four hours per day and participate in a multi-day observational period prior to treating patients independently. This training process may also take longer than expected or be more complicated than the providers or their personnel are comfortable with and may therefore affect our ability to increase sales. Convincing providers to dedicate the time and energy necessary for adequate training is challenging, and we may not be successful in these efforts.

Customers and their patients may be slow to adopt and use TMS therapies.

TMS therapy is an emerging treatment option for patients suffering from MDD. As a result, customer and patient awareness of TMS therapy as a treatment option for MDD, and experience with TMS therapies, is limited. Our success depends in large part on our ability to educate and train customers and patients, and successfully demonstrate the safety, tolerability, ease of use, efficacy, cost effectiveness and other merits of our NeuroStar Advanced Therapy System. We have been engaging in an active marketing campaign to raise awareness of our NeuroStar Advanced Therapy System and its benefits among customers, but we cannot assure you that these efforts will be successful or that they will not prove to be cost-prohibitive. Some customers may also find the initial patient set up and the subsequent procedures for future treatment sessions to be difficult or complicated, or could be wary of the initial investment required for the purchase of the NeuroStar Advanced Therapy System, which may impact their decision to purchase or use the NeuroStar Advanced Therapy System as part of their practice. Similarly, customers may find it difficult to hire additional staff, allocate sufficient space or operationalize our NeuroStar Advanced Therapy System, which could slow its adoption.

In addition, customers may not derive sufficient cash flow from using the NeuroStar Advanced Therapy Systems due to their own practice economics or otherwise. Failure to achieve economic benefits from the purchase or use of the NeuroStar Advanced Therapy System would adversely affect our customers' purchase of treatment sessions. These factors could also reduce the number of procedures performed using our NeuroStar Advanced Therapy System, and if we do not facilitate the utilization of our products and services by our customers, our revenues and results of operations could be harmed.

Our success depends upon patient satisfaction with the effectiveness of our NeuroStar Advanced Therapy System.

In order to generate repeat and referral business, patients must be satisfied with the effectiveness of our NeuroStar Advanced Therapy System. Clinical studies demonstrate that, in order to be effective, our products must be used for a period of four to six weeks, and require a patient to return to a providers's office five days a week during that period in order to receive the recommended course of treatment. Since patients who achieve response or remission using our therapy will obtain these results gradually over this treatment period, their perception of their results may vary depending on their compliance with the prescribed treatment course.

We train our customers and our Treatment Centers to select the appropriate patient candidates for treatment using the NeuroStar Advanced Therapy System, explain to their patients the time-period over which the results from a treatment course can be expected to occur, and measure the success of treatments using medical guidelines. However, our customers and Treatment Centers may not select appropriate patient candidates for NeuroStar Advanced Therapy System treatment, which may produce results that may not meet patients' expectations. In addition, the efficacy of treatment is dependent on proper patient set up at the initial treatment session and duplication of that set up at future treatment sessions. To the extent customers do not make the proper measurements for a specific patient or use the same procedures at each treatment session, it could result in variability of the treatment efficacy and results for the patient. If patients are not satisfied with the results of our NeuroStar Advanced Therapy System, our reputation and future sales will suffer.

We operate in a very competitive environment and if we are unable to compete successfully against our existing or potential competitors, our sales and operating results may be negatively affected.

Our currently marketed products and services are, and any future products and services we develop and commercialize will be, subject to intense competition. The industry in which we operate is subject to rapid change and is highly sensitive to the introduction of new products and services or other market activities of current or new industry participants. Our ability to compete successfully will depend on our ability to develop products and services that reach the market in a timely manner, to receive adequate coverage and reimbursement from third-party payors, and to successfully demonstrate to providers and patients the merits of our products and services compared to those of our competitors. If we are not successful in convincing others of the merits of our products and services, including in comparison to those of our competitors, or educating them on the use of our products and services, they may not use our products and services or use them effectively and we may be unable to increase our sales.

We have competitors that sell other forms of TMS therapy, including Brainsway, Magstim, MagVenture, CloudTMS and Nexstim, that compete directly with the NeuroStar Advanced Therapy System. Competing TMS therapy companies have developed and may develop additional treatments that can be administered for shorter time periods or for indications outside of MDD, or may develop treatments that have improved efficacy when compared to our products and services or that require a less significant investment of resources from providers. We also face competition from pharmaceutical and other companies that develop competitive products, such as antidepressant medications. Our commercial opportunity could be reduced or eliminated if these competitors develop and commercialize antidepressant medications or other treatments that are safer, more convenient or more effective than the NeuroStar Advanced Therapy System. At any time, these and other potential market entrants may develop treatment alternatives that may render our products and services uncompetitive.

In addition, our competitors may have more established distribution networks than we do, or may be acquired by enterprises that have more established distribution networks than we do. Our competitors may also develop and patent processes or products earlier than we can or obtain domestic or international regulatory clearances or approvals for competing products more rapidly than we can, which could impair our ability to develop and commercialize similar products. We also compete with our competitors in acquiring technologies and technology licenses complementary to our products and services or advantageous to our business. In addition, we compete with our competitors to engage the services of independent distributors outside the United States, both those presently working with us and those with whom we hope to work as we expand.

We may face difficulties encountered by companies in new and evolving markets.

In assessing our prospects, you must consider the risks and difficulties frequently encountered by companies in new and evolving markets. These risks include our ability to:

- manage rapidly changing and expanding operations;
- increase awareness of our brand and strengthen customer loyalty;
- successfully execute our business and marketing strategy;
- respond effectively to competitive pressures and developments;
- continue to develop and enhance our products and services and products and services in development;
- obtain regulatory clearance or approval to commercialize new products and enhance our existing products;

- refrain from infringing on the intellectual property rights of others, and maintaining appropriate legal policies and procedures;
- expand our presence in existing and commence operations in new international markets; and
- attract, retain and motivate qualified personnel.

If we are unable to adequately address our customers' needs, it could negatively impact sales and market acceptance of our products and services and we may never generate sufficient revenues to achieve or sustain profitability.

Our operating results are directly dependent upon the sales and marketing efforts of our sales and customer support team as well as our field sales personnel in the United States and our independent third-party distributors outside of the United States. If our employees or our independent distributors fail to adequately promote, market and sell our products and services, our sales could significantly decrease.

If we launch new products, expand our product offerings to new indications or increase our marketing efforts with respect to existing products, we will need to expand the reach of our marketing and sales networks. Our future success will depend largely on our ability to continue to hire, train, retain and motivate skilled employees, and distributors with significant technical knowledge in various areas. Further, many of the salespersons we hire have technical expertise from other industries but no experience within our specific industry. New hires require training and take time to achieve full productivity. If we fail to train new hires adequately, new hires fail to successfully transition to our industry, or we experience high turnover in our sales force in the future, new hires may not become as productive as may be necessary to maintain or increase our sales. If we are unable to expand our sales and marketing capabilities domestically and internationally, we may be unable to effectively commercialize our products and services.

The loss of any member of our senior management or our inability to attract and retain highly skilled executives, salespeople, product development and other personnel could negatively impact our business.

Our success depends on the skills, experience and performance of the members of our senior management team. The individual and collective efforts of these employees will be important as we continue to develop our products and services and as we expand our commercial activities. We believe that it is challenging to identify individuals with the requisite skills to serve in many of our key positions, and the loss or incapacity of existing members of our executive management team could negatively impact our operations. We did not maintain key person life insurance on any of our employees in 2025 and do not expect to in the future.

On November 4, 2025, the Company announced that Keith J. Sullivan, who has served as President and Chief Executive Officer since July 14, 2020, informed the Board of his intention to retire. Mr. Sullivan will step down as the Company's President and Chief Executive Officer on March 23, 2026 and retire on March 31, 2026.On March 17, 2026, the Company announced that Daniel Reuvers will be appointed as the new President and Chief Executive Officer. The effectiveness of our new Chief Executive Officer, and our ability to maintain continuity during the transition, will be important to the continued execution of our strategy.

Our commercial, supply chain, treatment center and research and development programs and operations depend on our ability to attract and retain highly skilled managers, salespeople and product development and customer training personnel. We may be unable to attract or retain qualified managers, salespeople or product development and customer training personnel in the future due to the competition for qualified personnel in the medical treatment and device fields, as well as other fields. We also face competition from universities and public and private research institutions in recruiting and retaining highly qualified scientific personnel. Recruiting and retention difficulties can limit our ability to support our commercial, supply chain and research and development programs. The loss of key employees, the failure of any key employee to

perform or our inability to attract and retain skilled employees, as needed, or an inability to effectively plan for and implement a succession plan for key employees could harm our business.

Our long-term growth depends on our ability to commercialize our approved products and services for current and future indications and to develop and commercialize additional products and services through our research and development efforts. If we fail to do so, we may be unable to compete effectively.

In order to increase our future revenues, we must successfully enhance our existing product offerings and introduce new products or new treatment modalities in response to changing customer demands and competitive pressures and technologies. Our industry is characterized by intense competition, including from lower-cost competitors, rapid technological changes, new product introductions and enhancements and evolving industry standards. We also face competition from pharmaceutical companies, including large pharmaceutical companies with greater capital. Our business prospects depend in part on our ability to develop and commercialize new products, services and applications for our technology, including in new markets that develop as a result of technological, pharmaceutical and scientific advances, while improving the performance and cost-effectiveness of our products and services. New pharmaceutical products, technologies, techniques or other products could emerge that might offer better combinations of price and performance than our products and services. It is important that we anticipate changes in technology and market demand, as well as provider practices to successfully develop, obtain clearance or approval, if required, and successfully introduce new, enhanced and competitive technologies to meet our prospective customers' needs on a timely and cost-effective basis.

We might be unable to successfully further commercialize or develop or obtain regulatory clearances or approvals to market new products and services or our existing products and services for additional indications. Future products, even if cleared, might not be accepted by provider or the third-party payors who reimburse for the procedures performed with our products and services. The success of any new product offering or enhancement to an existing product will depend on numerous additional factors, including our ability to:

- properly identify and anticipate clinician and patient needs;
- demonstrate the benefits associated with the use of our products and services when compared to the products, services and devices of our competitors;
- develop and introduce new products, product enhancements or alternative treatments with existing products in a timely manner;
- adequately protect our intellectual property and avoid infringing upon the intellectual property rights of third parties;
- demonstrate the safety and efficacy of new products;
- obtain the necessary regulatory clearances or approvals for new products or product enhancements; and
- secure and maintain favorable commercial relationships with key partners involved in emerging treatment areas

If we do not develop and obtain regulatory clearances or approvals for new products or indications or product enhancements in time to meet market demand, or if there is insufficient demand for these products or enhancements, our results of operations will suffer. Our research and development efforts may require a substantial investment of time and resources before we are adequately able to determine the commercial

viability of a new product, technology, material or other innovation. In addition, even if we are able to develop enhancements or new generations of our products successfully, these enhancements or new generations of products may not produce sales in excess of the costs of development and they may be quickly rendered obsolete by changing customer preferences or the introduction by our competitors of products embodying new technologies or features.

Nevertheless, we must carefully manage our introduction of new products. If potential customers believe such products will offer enhanced features or be sold for a more attractive price, they may delay purchases until such products are available. We may also have excess or obsolete inventory as we transition to new products, and we have limited experience in managing product transitions.

We rely on single-source suppliers for some components used in our NeuroStar Advanced Therapy System and on a single manufacturer for the assembly of our NeuroStar Advanced Therapy System, and we may be unable to find replacements or immediately transition to alternative parties for these components.

We rely on single-source suppliers for some components used in our NeuroStar Advanced Therapy System, and we do not have long-term supply contracts with these suppliers. Furthermore, we rely on a single manufacturer for the assembly of the mobile console and patient positioning system used in our NeuroStar Advanced Therapy System. For us to be successful, our suppliers and contract manufacturer must be able to provide us with components in substantial quantities, in compliance with regulatory requirements, in accordance with agreed upon specifications, at acceptable costs and on a timely basis. While these suppliers have generally met our demand requirements on a timely basis in the past, their ability and willingness to continue to do so going forward may be limited for several reasons, including our lack of long-term agreements with those suppliers, our relative importance as a customer of those suppliers, or, as applicable, their ability to produce the components for or provide assembly services to manufacture our NeuroStar Advanced Therapy System. An interruption in our commercial operations could occur if we encounter delays or difficulties in securing these components or manufactured products, if we cannot obtain an acceptable substitute.

Any transition to a new supplier or contract manufacturer could be time-consuming and expensive, may result in interruptions in our operations and product delivery, could affect the performance specifications of our NeuroStar Advanced Therapy System or could require that we modify its design. If we are required to change our contract manufacturer, we will be required to verify that the new manufacturer maintains facilities, procedures and operations that comply with our quality and applicable regulatory requirements, which could further impede our ability to manufacture our products in a timely manner. If the change in manufacturer results in a significant change to any product, a new 510(k) clearance from the FDA or similar non-U.S. regulatory authorization may be necessary before we implement the change, which could cause a substantial delay. We cannot assure you that we will be able to identify and engage alternative suppliers or contract manufacturers on similar terms or without delay. Furthermore, our contract manufacturer could require us to move to a different production facility. The occurrence of any of these events could harm our ability to meet the demand for our NeuroStar Advanced Therapy System in a timely and cost-effective manner.

We may be unable to achieve or manage our anticipated growth effectively, which could make it difficult to execute our business strategy.

We have a relatively short history of operating as a combined medical device and clinic service company, as such our growth rate may be volatile. For example for 2025, 2024 and 2023 our growth rate was 99%, 5% and 9% respectively. We intend to grow our business operations and may experience periods of rapid growth and expansion. This anticipated growth could create a strain on our organizational, administrative and operational infrastructure, including our supply chain operations, quality control, technical support and customer service, sales force management and general and financial administration. We may be unable to maintain the quality, or delivery timelines, of our products and services or customer service or satisfy customer demand if our business grows too rapidly. Our ability to manage our growth properly will require us

to continue to improve our operational, financial and management controls, and our reporting systems and procedures. We may implement new enterprise software systems in a number of areas affecting a broad range of business processes and functional areas. The time and resources required to implement these new systems is uncertain and failure to complete this in a timely and efficient manner could harm our business.

As our commercial operations and sales volume grow, we will need to continue to increase our workflow capacity for our supply chain, customer service, training and education personnel, billing, accounting reporting and general process improvements and expand our internal quality assurance program, among other things. Because our products and services require us to devote significant resources to training our customers on the use, and educating our customers on the benefits, of our products and services, we will be required to expand these personnel as we increase our sales efforts. We may not successfully implement these increases in scale or the expansion of our personnel, which could harm our business.

Historically, we have offered products primarily through a standard treatment session model. However, we are piloting new purchasing models, including allowing customers to purchase systems on a capital-only basis (instead of the treatment session model), offering new lease options, both directly and through third-party financing partners, and providing standalone support services to capital-only customers who subsequently seek additional services.

These changes create several risks that could adversely affect our business:

- we may be unable to predict or adequately respond to customer demand across these new purchasing models;
- our salesforce and operational teams may face challenges adjusting to multiple concurrent commercial approaches;
- offering more flexible financing options, particularly through third parties, may expose us to greater credit risks or unfavorable terms;
- the provision of standalone support services may result in incremental costs or lower margins if not managed effectively;
- some customers who switch models might require more support than anticipated, straining resources; and
- competitors may respond aggressively with their own alternative offerings.

If we do not execute these alternative purchasing models effectively, or if the market does not accept these new offerings as anticipated, our revenues could decline; we may incur higher expenses associated with supporting multiple sales and service channels; and overall customer satisfaction could decrease. Any of these outcomes could have an adverse effect on our business prospects, operating results, or financial condition.

We rely on a network of third-party distributors to market and distribute our products internationally, and if we are unable to maintain and expand this network, we may be unable to generate anticipated sales.

We rely on a network of third-party distributors to market and distribute our products in international markets. We currently sell our products in five countries outside of the United States and market and sell our products through our exclusive distribution agreement in Japan. We are assessing the opportunity to continue expanding into other international markets. We may face significant challenges and risks in managing a geographically dispersed distribution network. We have limited ability to control any third-party distributors.

Our distributors may be unable to successfully market and sell our products and may not devote sufficient time and resources to support the marketing, sales, education and training efforts that we believe enable the products to develop, achieve or sustain market acceptance. Additionally, in some international jurisdictions, we rely on our distributors to manage the regulatory process, while complying with all applicable rules and regulations, and we are dependent on their ability to do so effectively. In addition, if a dispute arises with a distributor or if a distributor is terminated by us or goes out of business, it may take time to locate an alternative distributor, to seek appropriate regulatory approvals and to train new personnel to market our products, and our ability to sell those systems in the region formerly serviced by such terminated distributor could be harmed. Any of these factors could reduce our revenues from affected markets, increase our costs in those markets or damage our reputation. In addition, if an independent distributor were to depart and be retained by one of our competitors, we may be unable to prevent that distributor from helping competitors solicit business from our existing customers, which could further adversely affect our sales. As a result of our reliance on third-party distributors, we may be subject to disruptions and increased costs due to factors beyond our control, including labor strikes, third-party error and other issues. If the services of any of these third-party distributors become unsatisfactory, we may experience delays in meeting our customers' demands and we may be unable to find a suitable replacement on a timely basis or on commercially reasonable terms. Any failure to deliver products in a timely manner may damage our reputation and could cause us to lose potential customers.

We face risks associated with our international business.

We currently market and sell our products outside of the United States, including through our exclusive distribution agreement in Japan.

The sale and shipment of our products across international borders, as well as the purchase of components and products from international sources, subjects us to extensive U.S. and other foreign governmental trade, import and export and customs regulations and laws. Compliance with these regulations and laws is costly and exposes us to penalties for non-compliance. We expect our international activities will be dynamic over the foreseeable future as we continue to pursue opportunities in international markets. Our international business operations are subject to a variety of risks, including:

- difficulties in staffing and managing foreign and geographically dispersed operations, to the extent we establish non-U.S. operations;
- attaining reimbursement under differing and multiple payor reimbursement regimes, government payors or patient self-pay systems;
- difficulties in determining and creating the proper sales pathway in new, international markets;
- compliance with various U.S. and international laws, including export control laws and the U.S. Foreign Corrupt Practices Act of 1977, (the "FCPA"), and anti-money laundering laws;
- differing regulatory requirements for obtaining clearances or approvals to market our products;
- changes in, or uncertainties relating to, foreign rules and regulations that may impact our ability to sell our products, perform services or repatriate profits to the United States;
- tariffs and trade barriers, export regulations, sanctions and other regulatory and contractual limitations on our ability to sell our products in certain foreign markets;
- potential adverse tax consequences, including imposition of limitations on or increases of withholding and other taxes on remittances and other payments by foreign subsidiaries or joint ventures;

- imposition of differing labor laws and standards;
- armed conflicts or economic, political, health (including pandemic diseases) or social instability in foreign countries and regions;
- fluctuations in foreign currency exchange rates;
- an inability, or reduced ability, to protect our intellectual property, including any effect of compulsory licensing imposed by government action;
- availability of government subsidies or other incentives that benefit competitors in their local markets that are not available to us; and
- conducting post-market surveillance on product performance.

We regularly reassess opportunities to expand into other international markets. However, any expansion plans may not be realized, or if realized, may not be successful. We expect each market to have particular regulatory hurdles to overcome, and future developments in these markets, including the uncertainty relating to governmental policies and regulations, could harm our business.

Our employees, consultants, distributors and other commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

We are exposed to the risk that our employees, consultants, distributors and other commercial partners may engage in inappropriate, fraudulent or illegal activity. Misconduct by these parties could include intentional, reckless or negligent conduct or other unauthorized activities that violate the regulations of the FDA and other U.S. healthcare regulators, as well as non-U.S. regulators, including by violating laws requiring the reporting of true, complete and accurate information to such regulators, manufacturing standards, healthcare fraud and abuse laws and regulations in the United States and abroad or laws that require the true, complete and accurate reporting of financial information or data. In particular, sales, marketing and business arrangements in the healthcare industry, including the sale of medical devices, are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-referral and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs, referral and other business arrangements. It is not always possible to identify and deter misconduct by our employees, distributors and other third parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. These risks may be more pronounced, and we may find that the processes and policies we have implemented are not effective at preventing misconduct. If any actions are instituted against us and we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of significant fines or other sanctions, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, individual imprisonment, disgorgement, possible exclusion from participation in government healthcare programs, additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings and the curtailment of our operations. Whether or not we are successful in defending against such actions or investigations, we could incur substantial costs, including legal fees, and divert the attention of management in defending ourselves against any of these claims or investigations.

We rely in part on third parties to conduct our clinical trials. If these third parties fail to perform their duties on time or as expected, we may not be able to obtain regulatory approval for additional indications that we may seek for the NeuroStar Advanced Therapy System.

Our clinical trials are managed by our own staff and personnel, but we rely in part upon certain third parties, including clinical trial sites, medical institutions, clinical research organizations, and private practices, for, among other things, site monitoring, statistical work and electronic data capture in our clinical trials. Nevertheless, we are responsible for ensuring that each of our clinical trials is conducted in accordance with applicable protocols, and legal, regulatory and scientific standards, including current good clinical practices, ("CGCPs"), which are regulations and guidelines enforced by the FDA and comparable foreign regulatory authorities for clinical trials. If we or any such third parties fail to comply with applicable CGCPs, the clinical data generated in such trials may be deemed unreliable and the FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving a marketing application for any particular indication. In addition, if such third parties do not devote sufficient time and resources to our clinical trials or otherwise carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they assist in obtaining is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval for or successfully commercialize our product candidates in a specified indication.

If product liability lawsuits are brought against us, our business may be harmed, and we may be required to pay damages that exceed our insurance coverage.

Our business exposes us to potential product liability claims that are inherent in the testing, manufacture, sale and use of medical devices for the treatment of MDD. Our treatments are designed for patients who suffer from significant neurohealth disorders, and these patients are more likely to experience significant adverse health outcomes, which could increase the risk of product liability lawsuits. Furthermore, if providers are not sufficiently trained in the use of our products and services, they may misuse or ineffectively use our products and services, which may result in unsatisfactory patient outcomes. We could become the subject of product liability lawsuits alleging that component failures, malfunctions, manufacturing flaws, design defects or inadequate disclosure of product-related risks or product-related information resulted in an unsafe condition or injury to patients.

Regardless of the merit or eventual outcome, product liability claims may result in:

- decreased demand for our products and services;
- injury to our reputation;
- significant litigation costs;
- substantial monetary awards to or costly settlements with, patients;
- product recalls;
- material defense costs;
- loss of revenues;
- the inability to commercialize new products or product candidates; and
- diversion of management attention from pursuing our business strategy.

Our existing product liability insurance coverage may be inadequate to protect us from any liabilities we might incur. If a product liability claim or series of claims is brought against us for uninsured liabilities or in excess of our insurance coverage, our business could suffer. Any product liability claim brought against us, with or without merit, could result in the increase of our product liability insurance rates or the inability to secure coverage in the future. In addition, a recall of some of our products, whether or not the result of a product liability claim, could result in significant costs and loss of customers.

Our insurance policies protect us only from some business risks, which will leave us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter. Some of the policies we currently maintain include general liability, cybersecurity liability, employee benefits liability, property, umbrella, workers' compensation, products and clinical trial liability and directors' and officers' insurance. We do not know, however, if these policies will provide us with adequate levels of coverage. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our cash position and results of operations.

We bear the risk of warranty claims on our products.

We bear the risk of warranty claims on the products we supply for one year from the date of delivery. There can be no assurance that we will not face increased claims in the future. We may not be successful in claiming recovery under any warranty or indemnity provided to us by our suppliers or vendors in the event of a successful warranty claim against us by a customer or that any recovery from such vendor or supplier would be adequate. In addition, warranty claims brought by our customers related to third-party components may arise after our ability to bring corresponding warranty claims against such suppliers expires, which could result in costs to us.

We could be negatively impacted by violations of applicable anti-corruption laws or violations of our internal policies designed to ensure ethical business practices.

We operate in a number of countries throughout the world, including in countries that do not have as strong a commitment to anti-corruption and ethical behavior as is required by U.S. laws and by our corporate policies. We are subject to the risk that we, our U.S. employees or any future employees or consultants located in other jurisdictions or any third parties such as our distributors that we engage to do work on our behalf in foreign countries may take action determined to be in violation of anti-corruption laws in any jurisdiction in which we conduct business, including the FCPA. The FCPA generally prohibits covered entities and their intermediaries from engaging in bribery or making other prohibited payments, offers or promises to foreign officials for the purpose of obtaining or retaining business or other advantages. In addition, the FCPA imposes recordkeeping and internal controls requirements on publicly traded corporations and their foreign affiliates, which are intended to, among other things, prevent the diversion of corporate funds to the payment of bribes and other improper payments, and to prevent the establishment of "off books" slush funds from which such improper payments can be made.

We will face significant risks if we fail to comply with the FCPA and other laws that prohibit improper payments, offers or promises of payment to foreign governments and their officials and political parties by us and other business entities for the purpose of obtaining or retaining business or other advantages. In many foreign countries, particularly in countries with developing economies, it may be a local custom that businesses operating in such countries engage in business practices that are prohibited by the FCPA or other laws and regulations. We have implemented company policies relating to compliance with the FCPA and similar laws. However, such policies may not be effective at preventing all potential FCPA or other violations. Although our agreements with our international distributors state our expectations for our distributors' compliance with U.S. laws, including the FCPA, and provide us with various remedies upon any non-compliance, including the ability to terminate the agreement, our distributors may not comply with U.S. laws, including the FCPA.

Any violation of the FCPA or any similar anti-corruption law or regulation could result in substantial fines, sanctions, civil or criminal penalties and curtailment of operations in certain jurisdictions and might harm our business, financial condition or results of operations.

If we experience significant disruptions in our information technology systems, our business may be adversely affected.

We depend on our information technology systems for the efficient functioning of our business, including for our TrakStar system and accounting, data storage, compliance, purchasing and inventory management. We do not have redundant systems at this time. While we will attempt to mitigate interruptions, we may experience difficulties in implementing upgrades to our information technology systems, which would impact our business operations, or experience difficulties in operating our business during the upgrade, either of which could disrupt our operations, including our ability to provide customers with data on patient outcomes, track the usage of our products, timely ship and track product orders, project inventory requirements, manage our supply chain and otherwise adequately service our customers or disrupt our customers' ability to access patient data or use our products for treatments. In the event we experience significant disruptions as a result of the current implementation of our information technology systems, we may be unable to repair our systems in an efficient and timely manner. Accordingly, such events may disrupt or reduce the efficiency of our entire operation and have a material adverse effect on our results of operations and cash flows. Currently we carry business interruption coverage to mitigate any potential losses, but we cannot be certain that such potential losses will not exceed our policy limits.

We continue to make substantial investments in our information technology systems to drive customer satisfaction and productivity. These investments may involve the potential adoption of generative artificial intelligence in certain processes. We could be adversely affected by system or network disruptions if new or upgraded information technology systems are defective, not installed properly, or not properly integrated into operations.

We are increasingly dependent on sophisticated information technology for our infrastructure. Our information systems require an ongoing commitment of significant resources to maintain, protect and enhance existing systems. Failure to maintain or protect our information systems and data integrity effectively could have a materially adverse effect on our business.

Performance issues, service interruptions or price increases by our shipping carriers could adversely affect our business and harm our reputation and ability to provide our services on a timely basis.

Expedited, reliable shipping is essential to our operations. We rely heavily on providers of transport services for reliable and secure point-to-point transport of our products to our customers and for tracking of these shipments. Should a carrier encounter delivery performance issues such as loss, damage or destruction of any systems, it would be costly to replace such systems in a timely manner and such occurrences may damage our reputation and lead to decreased demand for our products and increased cost and expense to our business. In addition, any significant increase in shipping rates could adversely affect our operating margins and results of operations. Similarly, strikes, severe weather, natural disasters or other service interruptions affecting delivery services we use would adversely affect our ability to process orders for our products on a timely basis.

Security and privacy breaches may expose us to liability and harm our reputation and business.

As part of our business we receive and process information about our customers, partners and their patients, including PHI, and we may store or contract with third parties to store our customers' data, including PHI. PHI, a subset of individually identifiable information, is regulated at the federal level by HIPAA, as amended by HITECH, and by various laws at the state level, as more fully described below. We are required to safeguard PHI in accordance with HIPAA and, as a business associate, we are also directly liable for compliance with HIPAA.

The security measures we have implemented relating to our NeuroStar Advanced Therapy System and TrakStar database, specifically, and our operations, generally, may not prevent security breaches that could harm our business. Advances in computer capabilities, inadequate technology or facility security measures or other factors may result in a compromise or breach of our systems and the data and PHI we store and process. Our security measures have been and may in the future be breached as a result of actions by third parties or employee error or malfeasance. A party who is able to circumvent our security measures or exploit inadequacies in our security measures, could, among other things, misappropriate proprietary information, including information about our customers and their patients, cause the loss or disclosure of some or all of this information, cause interruptions in our or our customers' operations or expose our customers to computer viruses or other disruptions or vulnerabilities. Any compromise of our systems or the data we store or process could implicate reporting requirements under HIPAA, result in a loss of confidence in the security of our software, damage our reputation, disrupt our business, lead to legal liability and adversely affect our results of operations. Moreover, a compromise of our systems could remain undetected for an extended period of time, exacerbating the impact of that compromise. Actual or perceived vulnerabilities may lead to claims against us by our customers, their patients or other third parties, including the federal and state governments. While our customer agreements typically contain provisions that seek to limit our liability, there is no assurance these provisions will be enforceable and effective under applicable law. In addition, the cost and operational consequences of implementing further data protection measures could be significant.

Employment litigation and unfavorable publicity could negatively affect our future business.

Employees may, from time to time, bring lawsuits against us or make public claims about us regarding injury, creating a hostile workplace, discrimination, wage and hour, sexual harassment and other employment issues. In recent years there has been an increase in the number of discrimination and harassment claims generally. Coupled with the expansion of social media platforms and similar devices that allow individuals access to a broad audience, these claims have had a significant negative impact on some businesses. Companies that have faced employment or harassment related lawsuits have had to terminate management or other key personnel and have suffered reputational harm that has negatively impacted their sales. If we were to face any employment related claims or allegations, our business could be negatively affected.

Our effective tax rate may fluctuate, and we may incur obligations in tax jurisdictions in excess of accrued amounts.

We are subject to taxation in numerous U.S. states and territories. As a result, our effective tax rate is derived from a combination of applicable tax rates in the various places that we operate. In preparing our consolidated financial statements, we estimate the amount of tax that will become payable in each of such places. Nevertheless, our effective tax rate may be different than experienced in the past due to numerous factors, including passage of any new enacted federal income tax laws, changes in the mix of our profitability from state to state, the results of examinations and audits of our tax filings, our inability to secure or sustain acceptable agreements with tax authorities, changes in accounting for income taxes and changes in tax laws. Any of these factors could cause us to experience an effective tax rate significantly different from previous periods or our current expectations and may result in tax obligations in excess of amounts accrued in our consolidated financial statements.

Our operations are vulnerable to interruption or loss due to natural or other disasters, power loss, strikes and other events beyond our control.

A major earthquake, fire or other disaster, such as a major flood, seasonal storms, global pandemic (such as COVID-19), or terrorist attack affecting our facilities, or those of our third-party manufacturers or suppliers, could significantly disrupt our or their operations, and delay or prevent product shipment or installation during the time required to repair, rebuild or replace our third-party manufacturers or suppliers' damaged manufacturing facilities. These delays could be lengthy and costly. If any of our manufacturers', suppliers' or customers' facilities are negatively impacted by a disaster, shipments of our products could be delayed. Additionally, customers may delay purchases of our products until operations return to normal. Even if we are

able to quickly respond to a disaster, the ongoing effects of the disaster could create some uncertainty in the operations of our business. In addition, our or their facilities may be subject to a shortage of available electrical power and other energy supplies. Any shortages may increase our costs for power and energy supplies or could result in blackouts, which could disrupt the operations of our affected facilities and harm our business. In addition, concerns about terrorism, the effects of a terrorist attack, political turmoil or an outbreak a pandemic (such as COVID-19) could have a negative effect on our operations.

We may seek to grow our business through acquisitions or investments in new or complementary businesses, products or technologies, through the licensing of products or technologies from third parties. The failure to manage acquisitions, investments, licenses or other strategic alliances, or the failure to integrate them with our existing business, could harm our business.

Our success depends in part on our ability to continually enhance and broaden our product offerings in response to changing customer demands, competitive pressures, technologies and market pressures. Accordingly, from time to time we may consider opportunities to acquire, make investments in or license other technologies, products and businesses that may enhance our capabilities, complement our current products or expand the breadth of our markets or customer base. Potential and completed acquisitions, strategic investments, licenses and other alliances involve numerous risks, including:

- difficulty assimilating or integrating acquired or licensed technologies, products or business operations;
- issues maintaining uniform standards, procedures, controls and policies;
- unanticipated costs associated with acquisitions or strategic alliances, including the assumption of unknown or contingent liabilities and the incurrence of debt or future write-offs of intangible assets or goodwill;
- diversion of management's attention from our core business and disruption of ongoing operations;
- adverse effects on existing business relationships with suppliers, distributors and customers;
- risks associated with entering new markets in which we have limited or no experience;
- potential losses related to investments in other companies;
- potential loss of key employees of the acquired businesses; and
- increased legal and accounting compliance costs.

We do not know if we will be able to identify acquisitions or strategic relationships we deem suitable, whether we will be able to successfully complete any such transactions on favorable terms or at all or whether we will be able to successfully integrate any acquired business, product or technology into our business or retain any key personnel, suppliers or distributors.

Foreign acquisitions involve unique risks in addition to those mentioned above, including those related to integration of operations across different cultures, languages and legal and regulatory environments, currency risks and the particular economic, political and regulatory risks associated with specific countries.

To finance any acquisitions, investments or strategic alliances, we may choose to issue shares of our common stock or other equity-linked securities as consideration, which could dilute the ownership of our stockholders. Additional funds may not be available on terms that are favorable to us, or at all. If the price of

our common stock is low or volatile, we may be unable to consummate any acquisitions, investments or strategic alliances using our stock as consideration.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

Generally accepted accounting principles in the United States, ("U.S. GAAP"), are subject to interpretation by the Financial Accounting Standards Board (the"FASB"), or SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change.

Refer to "Note 4. Recent Accounting Pronouncements" in our audited consolidated financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K.

Our sales volumes and our results of operations may fluctuate over the course of the year.

We have experienced and may continue to experience meaningful variability in our sales and gross profit among fiscal quarters. In the first quarter, our results can be impacted by the resetting of annual U.S. patient healthcare insurance plan deductibles, which may cause delays in patients seeking NeuroStar Advanced Therapy System treatments. Historically, we have seen a sequential decline in third quarter revenues, which we believe is attributable to summer vacation plans of providers and patients. In addition, the fourth quarter has consistently been a strong revenue quarter on a sequential basis primarily due to U.S. providers' historical timing for capital expenditures and patients' needs to exhaust remaining balances in flexible spending accounts.

Additional factors that we expect may contribute to variability in our sales and gross profit over the course of the year include:

- the growth or decline of our installed system base;
- the unpredictability of future sales by our international distributors, including through our exclusive distributor in Japan;
- the demand for, and pricing of, our products and services and the products of our competitors;
- the timing of or failure to obtain regulatory clearances or approvals for other products, indications or treatments; or
- the costs, benefits and timing of new product introductions.

The integration with Greenbrook may be more difficult, costly or time-consuming than expected, and our business may fail to realize the anticipated benefits.

The success of the integration with Greenbrook will depend, in part, on the ability to realize the anticipated revenue and cost synergies from combining the businesses of Neuronetics and Greenbrook. To realize the anticipated revenue and cost synergies from the integration, we must successfully integrate and combine businesses in a manner that permits those revenue and cost synergies to be realized without adversely affecting current revenues and future growth. If we are not able to successfully achieve these objectives, the anticipated benefits of our business may not be realized fully or at all or may take longer to realize than expected. In addition, the revenue and cost synergies of our business could be less than anticipated, and integration may result in additional and unforeseen expenses.

The pro forma financial information is presented for illustrative purposes only and may not be an indication of the Company's financial condition or results of operations following the Arrangement.

The pro forma financial information incorporated herein is presented for illustrative purposes only and may not be an indication of the Company's financial condition or results of operations following the Arrangement for a number of reasons. For example, the pro forma financial information has been derived from the historical financial information of Greenbrook and Neuronetics and certain adjustments and assumptions have been made regarding the Company after giving effect to the Arrangement. The information upon which these adjustments and assumptions have been made is preliminary, and these types of adjustments and assumptions are difficult to make with complete accuracy. Moreover, the pro forma financial statements do not reflect all costs that are expected to be incurred by the Company in connection with the Arrangement. As a result, the actual financial condition and results of operations of the Company following the Arrangement may not be consistent with, or evident from, the pro forma financial information. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations following the Arrangement. Any potential decline in the Company's financial condition or results of operations may cause a significant decrease in the trading price of our common stock.

Significant demands have been placed on the Company as a result of the integration of Greenbrook.

Our business has placed significant demands on the managerial, operational and financial personnel and systems of the Company. The Company cannot provide any assurance that management of Neuronetics and the operations teams will be adequate to support the expansion of operations and associated increased costs and complexity in the future. The future operating results of the Company will be affected by the ability of its officers and key employees to manage changing business conditions and implement a new business strategy that includes expanding Neuronetics therapeutic offerings to include esketamine nasal spray.

The Company's failure to meet the continued listing requirements of Nasdaq could result in a delisting of our common stock.

Our common stock is currently listed on Nasdaq. To maintain the listing of our common stock on Nasdaq, the Company will be required to meet Nasdaq's continued listing requirements, including, among others, a minimum bid price of $1.00 per share (the "Minimum Bid Price Requirement"). On October 3, 2024, we received a notice from Nasdaq of our failure to satisfy the Minimum Bid Price Requirement. On November 12, 2024, we received notice from Nasdaq that we had regained compliance with the Minimum Bid Price Requirement.

If the Company fails to satisfy the continued listing requirements of Nasdaq, such as the corporate governance requirements or the Minimum Bid Price Requirement, Nasdaq may take steps to delist our common stock, which could have a materially adverse effect on the Company's ability to raise additional funds as well as the price and liquidity of our common stock. For instance, in October 2024, we received notice from Nasdaq that the Company did not meet Nasdaq's minimum bid price requirement under Listing Rule 5450(a)(1) for the continued listing of our common stock. Although we regained compliance with such rule in November 2024, if we fail to satisfy the continued listing standards in the future, we could be de-listed, which would have a material and negative effect on the price of our common stock.

Such a delisting would likely have a negative effect on the price of our common stock and would impair the Company's ability to sell or purchase our common stock when it wishes to do so. In the event of a delisting, the Company could not provide assurances that any action taken by the Company to restore compliance with listing requirements would allow our common stock to become listed again, stabilize the market price or improve the liquidity of our common stock, prevent our common stock from dropping below the Minimum Bid Price Requirement, or prevent future non-compliance with Nasdaq's listing requirements.

Failure to timely or accurately bill for services could have a negative impact on our revenue and cash flow. We have had difficulty processing claims.

Billing for healthcare services is an important and complex aspect of our business. We have experienced, and will continue to experience, challenges collecting payments for the procedures we perform. If there are defects in the billing system, we may experience difficulties in our ability to successfully bill and collect for services rendered, including a delay in collections, a reduction in the amounts collected, increased risk of retractions from and refunds to commercial and government payors, an increase in uncollectible accounts receivable and noncompliance with reimbursement regulations, any or all of which could have a material adverse effect on our revenues, cash flows and operating results.

We bill numerous and varied payors, such as Medicare, non-Medicare government insurance plans, commercial payors and self-pay patients on behalf of healthcare provider practices pursuant to applicable services agreements. These different payors typically have different billing requirements that must be satisfied prior to receiving payment for services rendered. Reimbursement is typically conditioned on our documenting medical necessity, the appropriate level of service and correctly applying diagnosis codes. Incorrect or incomplete documentation and billing information could result in denial of reimbursement or non-payment for services rendered for the related receivable, as well as repayment obligations, pre-payment requirements, civil or criminal penalties, or exclusion from healthcare reimbursement programs. Medicare Administrative Contractors acting on behalf of CMS, have alleged after a series of audits that we have received approximately $1.3 million in reimbursements that may be subject to recoupment.

Additional factors that could complicate our ability to timely or accurately bill payors include:

- complexity of procedures, and changes in procedures, for electronic processing of insurance claims;
- the complicated nature of determining patients' insurance benefits, securing prior authorizations from third-party payors for treating patients, properly coding and providing accurate data for us to process insurance claims;
- cumbersome nature of manual processes at payors for processing claims where electronic processing is not possible;
- pricing or reimbursement differences between our fee schedules and those of the payors;
- changes in or questions about how products are to be identified in the requisitions;
- disputes between payors as to which party is responsible for payment;
- disparity in coverage or lack of agreement for coverage among various payors;
- difficulties of adherence to specific compliance requirements and procedures mandated by various payors, including without limitation payor delays in reviewing provider credentialing applications;
- patients' unwillingness or inability to pay their insurance co-pays, co-insurance and deductibles;
- failure of information systems and processes to submit and collect claims in a timely manner;
- variation in coverage for similar services among various payors;
- our reliance on third parties, whom we do not control, to provide billing services;

- the difficulty of adherence to specific compliance requirements and other procedures mandated by various payors;

- failure to obtain proper provider credentialing and documentation, or otherwise reach agreements for "in-network" coverage in order to bill various payors; and

- failure to collect patient balances due to economic conditions or other unknown reasons.

To the extent that the complexity associated with billing for healthcare services we provide causes delays in our cash collections, we may experience increased carrying costs associated with the aging of our accounts receivable, as well as increased potential for bad debt expense. Additionally, failure to collect amounts owed by individual patients may expose the Company to risk under federal beneficiary inducement laws, to the extent such failure is interpreted to be intended to influence any patient's selection of a healthcare provider.

During 2024, Greenbrook in-sourced its revenue cycle management function, which is complicated and time consuming to manage. The integration efforts have exacerbated the impact of certain of the above listed factors. Shortly after closing the Arrangement, we discovered that Greenbrook had not been collecting patient responsibility payments as a result of the changes to our revenue cycle management processes. We have reinstituted patient responsibility payment collections and plan to seek payment for the past unbilled charges, but we may be unable to collect all amounts owed to us. Ultimately, if such issues are not resolved in a timely manner, our cash flows could be impaired and our ability to reach profitability could be limited.

We may be subject to fines, penalties, and other sanctions if we fail to comply with laws governing our business.

Our business operates within a variety of complex regulatory environments, including but not limited to the regulations governing Medicaid and Medicare and accounting standards. If a government audit finds improper or illegal activities by us or we otherwise determine that these activities have occurred, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines, and suspension or disqualification from doing business with the government. Any such determination could adversely impact our ability to operate in one or more jurisdictions. For instance as described above, we are subject to ongoing audits that have designated approximately $1.3 million in reimbursements from CMS as potentially subject to recoupment, which if adversely determined could have an adverse effect on our operations.

If our operations are found to be in violation of any of the laws and regulations to which we or our healthcare provider practices are subject, we may be subject to penalties associated with the violation, including civil and criminal penalties, damages, fines, exclusion and the curtailment of our operations. Any penalties, damages, fines, exclusion or curtailment of our operations, individually or in the aggregate, could adversely affect our ability to operate our business and our financial results. The risks of our being found in violation of these laws and regulations is increased by the view that many of these laws and regulations are complex, have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Any action brought against us for violation of these laws or regulations, even if we successfully defend against it, could result in significant legal expenses and divert our management's attention from the operation of our business, which could have a material adverse effect on our business, operations and prospects.

Medicare and Medicaid reimbursement rules impose extensive requirements upon healthcare providers that furnish services to Medicare or Medicaid beneficiaries, including our healthcare provider practices. Moreover, additional laws and regulations potentially affecting healthcare providers participating in the Medicare and Medicaid programs continue to be promulgated that may impact us in the future. From time to time, in the ordinary course of business, we may conduct internal compliance reviews on behalf of our healthcare provider practices, the results of which may involve the identification of errors in the manner in which our healthcare provider practices submit claims to the Medicare or Medicaid program. Our healthcare provider

practices may also be subject to periodic audits by insurance companies, including, but not limited to, those associated with the Medicare or Medicaid program. These reviews may result in the identification of errors in the manner in which we or our healthcare provider practices bill such insurance programs for services, which may result in the receipt of incorrect payments from the insurance companies, including those associated with the Medicare program, that our healthcare provider practices are required to repay. Incorrect payments may subject healthcare provider practices to repayment or pre-billing requirements, which may result in financial loss or administrative delay in obtaining payment. Failure to report and return Medicare overpayments, or otherwise causing the billing of improper claims, can lead to liability under the FCA and associated penalties, including exclusion from Medicare or Medicaid and other federal health care programs. In addition, private payors may on occasion amend their coverage policies in a way that may impact our operations.

As part of our ongoing compliance efforts with these regulatory requirements, we periodically conduct reviews of our healthcare provider practices' past operations to assess our compliance with such requirements. If and when such reviews demonstrate that there may be a repayment obligation due to the failure to comply with certain regulatory requirements, the Company remedies the deficiency and returns and refunds any Medicare overpayments within the required time periods.

We do not independently own all of our Treatment Centers and are accordingly subject to risks associated with leasing space and equipment, as well as subject to a number of long-term non-cancelable leases with substantial lease payments. Any failure to make these lease payments when due, or the inability to extend, renew or continue to lease space and equipment in key locations, would likely harm our business, profitability and results of operations. We have been late in making certain lease payments.

We do not own any real estate. Instead, we lease all of our retail Treatment Center locations. Accordingly, we are subject to all of the risks associated with leasing, occupying and making tenant improvements to real property, including adverse demographic and competitive changes affecting the location of the property, changes in availability of and contractual terms for leasable space, credit risk in relation to tenant improvement allowances from landlords and potential liability for environmental conditions or personal injury claims.

We currently do not independently own all of our Treatment Centers, and healthcare laws and regulations in the United States may impact our ability to operate or own our Treatment Centers in the future, thereby necessitating the use of partnerships and other management services frameworks. Consequently, we may be required to deal with diverse operating or ownership frameworks. In addition, from time to time, we may decide to use cash to restructure our arrangements with fellow owners, managers or operators of certain of our Treatment Centers.

The success of any Treatment Centers depends substantially upon its location. There can be no assurance that our current Treatment Centers will continue to be desirable in the future, or that we will be able to secure new desirable locations in the future on favorable terms or at all. Treatment Centers, patient conversion and revenues may be adversely affected by, among other things, social and economic conditions in a particular area, competition from nearby treatment centers, out-of-pocket treatment costs, changes in stigma relating to mental health issues, and changing lifestyle choices of patients in a particular market. If we cannot obtain desirable locations at reasonable costs, our cost structure will increase, and our revenues will be adversely affected.

Our existing Treatment Centers are leased from third parties, with typical lease commitments ranging from "month-to-month" to seven years. Some of our lease agreements also have additional renewal options. However, there can be no assurances that we will be able to extend, renew or continue to lease our existing Treatment Centers, or identify and secure alternative suitable locations. In addition to fixed minimum lease payments, most of our leases provide for additional rental payments, including payment of common area maintenance charges, real property insurance, real estate taxes and other charges. Many of our lease agreements have defined escalating rent provisions over the initial term and any extensions. Increases in our

occupancy costs and difficulty in identifying economically suitable new Treatment Centers could have significant negative consequences, which include:

- requiring that a greater portion of our available cash be applied to pay our rental obligations, thus reducing cash available for other purposes and reducing our profitability;
- increasing our vulnerability to general adverse economic and industry conditions; and
- limiting our flexibility in planning for, or reacting to changes in, our business.

Our ability to obtain SPRAVATO from our suppliers on a timely basis at competitive costs could suffer as a result of events that adversely affect our suppliers or cause disruptions in their businesses.

Esketamine nasal spray treatments require SPRAVATO to be obtained through three distributors approved by the drug maker. We and our distributors of SPRAVATO may be affected by, among other things, increases in labor and fuel costs, labor disputes and disruptions, regulatory changes, political or economic instability or civil unrest, including terrorist activities, military and domestic disturbances and conflicts, natural disasters, pandemics, trade restrictions, tariffs, currency exchange rates, transport capacity and costs and other factors relating to trade. These factors are beyond our control, may adversely affect us and our suppliers or cause disruptions to their and our businesses and may impact their ability to supply us with SPRAVATO.

Consequently, our ability to provide SPRAVATO treatments to our patients on acceptable terms and within acceptable timelines may be impacted, which could have a material adverse effect on our profitability and results of operations.

Certain insurance companies provide reimbursement for SPRAVATO only under what is referred to as the Buy & Bill model, as opposed to the Administer & Observe model. Under the Administer & Observe model, SPRAVATO is acquired under the patient's pharmacy benefit without cost to us, and we receive payment for administering the drug and observing the patient. Although we generate more revenue from the Buy & Bill model, it is more capital intensive because we are required to purchase SPRAVATO and bill insurance for the cost of the drug along with our medical services. Unless we have the capacity to front the cash to purchase SPRAVATO while awaiting insurance reimbursement, we are limited in how widely we can implement the Buy & Bill model by the amount of credit, if any, the distributors of SPRAVATO will extend to us. The SPRAVATO distributors are not under any obligation to extend credit to us.

The claims coding requirements for SPRAVATO vary among insurance companies, so the coding process is time consuming and complicated. This impacts the timing and collectability of the SPRAVATO claims we submit to insurance for payment.

We may incur increased costs if third-party payors impose additional requirements related to the provision of services at our Treatment Centers.

Commercial payors, Medicare and other non-Medicare government programs set requirements that must be met for services to be deemed reimbursable. The imposition of additional requirements related to the provision of TMS or esketamine nasal spray therapy by commercial insurance plans, Medicare and other non-Medicare government insurance plans that increase the cost or complexity of furnishing these therapies to patients may result in increased costs. For example, certain commercial payors are increasing the levels of clinician supervision that must be provided to patients receiving TMS therapy, thereby restraining our ability to provide patient care when these increased levels of clinician supervision are not available or resulting in the incurrence of additional clinician compensation costs for ensuring the requisite level of supervision as a result of these increased requirements. The imposition of such requirements and any additional requirements by third-party payors may impact our revenues and costs, which could materially adversely affect our business, prospects, financial condition, results of operations or cash flows.

If our Treatment Centers lose clinicians, our financial results could be adversely affected.

Against a backdrop of significant mental health and addiction issues in the United States and an increase in suicide rates, there is an unprecedented demand for clinicians. At times, there has been a shortage of qualified clinicians in some of the regional markets in which we serve. In addition, competition in recruiting clinicians may make it difficult for our healthcare provider practices to maintain adequate levels of clinicians. If a significant number of clinicians terminate their relationships with our practices and those practices are unable to recruit sufficient qualified clinicians to fulfill their obligations under our agreements with them, our ability to maximize the use of our Treatment Centers and our financial results could be materially adversely affected. Neither we, nor our practices, maintain insurance on the lives of any affiliated clinicians.

We are dependent on the timely credentialing of our affiliated clinicians. The lack of availability of properly licensed medical professionals could adversely impact our financial results.

We are responsible for credentialing our existing and new clinicians with all third-party payors (including commercial insurance plans, Medicare and other non-Medicare government insurance), and all of our clinicians need to be credentialed in order to administer TMS therapy, medication management, and SPRAVATO at our Treatment Centers. This credentialing process is completed by us, or by a contracted third party, and requires the submission of a substantial amount of documentation necessary to satisfy third-party payors that our clinicians are qualified to perform services intended to be covered by insurance. The amount of time required to complete credentialing varies substantially between payor and region and is largely out of our control. Any delay in completing credentialing will result in a delay in clinicians seeing patients and a concomitant delay in generating revenue. Any failure of our clinicians to maintain credentials and licenses could result in delays in our ability to deliver care to patients, and therefore adversely affect our reputation and our business.

Many insurance companies require that TMS be prescribed and performed by psychiatrists. Certain insurance companies also impose this requirement on the administration of SPRAVATO. The United States faces a shortage of psychiatrists and the number of licensed psychiatrists is shrinking. The lack of available properly licensed medical professionals could limit our growth opportunities and negatively impact our financial results.

These issues also affect other NeuroStar providers and may affect our ability to sell NeuroStar devices or treatment sessions.

Technological change in our industry or novel drug treatments for MDD could reduce the demand for our services or require us to incur significant cost to incorporate new technology into our Treatment Centers.

Advances in technology or the development of novel drug treatments for MDD may reduce the demand for our services or result in significant cost to incorporate the new technology into our Treatment Centers. If we are unable to effectively respond to technological advancement, our treatment volumes could decline, which could have a material adverse effect on our revenues, earnings and cash flows.

Tariffs implemented by the current presidential administration could adversely affect our business and financial results, if we are not able to sufficiently offset increased supply prices caused by any such tariffs.

The Trump administration has implemented and proposed to implement a number of tariffs, which could likely significantly increase the cost of some of our supplies. Depending on the impact on the cost for our supplies, we may not be able to pass such increased costs on to our customers. If we are unable to pass on such costs, it could adversely affect our business, results and prospects.

Risks Related to Government Regulation

We are subject to certain federal, state and foreign fraud and abuse laws, health information privacy and security laws and transparency laws, which, if violated, could subject us to substantial penalties. Additionally, any challenge to or investigation into our practices under these laws could cause adverse publicity and be costly to respond to, and thus could harm our business.

There are numerous U.S. federal and state, as well as foreign, laws pertaining to healthcare fraud and abuse, including anti-kickback, self-referral, false claims and physician transparency laws. Our business practices and relationships with providers, patients, vendors and third-party payors are subject to scrutiny under these laws. We may also be subject to patient information privacy and security regulation by both the federal government in addition to the states and foreign jurisdictions in which we conduct our business.

These laws and regulations, among other impacts, constrain our business, marketing and other promotional activities by limiting the kinds of financial arrangements, including sales programs and provider directory services, we may have with providers or other potential purchasers of our products and services. We have also entered into consulting agreements with physicians, which are subject to these laws. Further, while we do not submit claims to any payor and our customers make the ultimate decision on how to submit claims, we may provide reimbursement guidance and support regarding our products and services. Due to the breadth of these laws, the narrowness of statutory exceptions and regulatory safe harbors available, and the range of interpretations to which they are subject, it is possible that some of our current or future practices might be challenged under one or more of these laws.

To enforce compliance with healthcare regulatory laws, certain enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Responding to investigations can be time-and resource-consuming and can divert management's attention from the business. Any such investigation or settlement could increase our costs or otherwise have an adverse effect on our business. Even an unsuccessful challenge or investigation into our practices could cause adverse publicity and be costly to respond to.

On October 8, 2025, a subsidiary of the Company received a Civil Investigative Demand (the "Demand") under the FCA dated August 28, 2025, from the U.S. Attorney's Office for the Middle District of Florida. The Demand seeks information from certain subsidiaries related to federal healthcare program billing practices. The Company is cooperating with the Assistant United States Attorney who issued the Demand and is engaged in ongoing constructive dialogue in order to satisfy the Demand. The United States Attorney for the Middle District of Florida is working jointly with the Florida, Nevada and New Jersey Attorneys General offices. The Demand is focused on periods in time prior to the Company's acquisition of Greenbrook TMS Inc. Additionally, in October 2025, the Michigan Attorney General's office opened a similar investigation. Similar to the Demand, the Company is cooperating with the Michigan investigation.

If our operations are found to be in violation of any of the healthcare laws or regulations described above or any other healthcare regulations that apply to us, we may be subject to penalties, including administrative, civil and criminal penalties, damages, fines, disgorgement, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, imprisonment, additional reporting obligations and oversight if we becomes subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, reputational harm, diminished profits and future earnings, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and pursue our strategy.

Healthcare policy changes, including recently enacted legislation reforming the U.S. healthcare system, could harm our cash flows, financial condition and results of operations.

From time to time, Congress drafts legislation that could significantly change the statutory provisions governing the regulation of medical devices. In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business and our products and services. Any new statutes, regulations, revisions, or reinterpretations of existing regulations may impose additional costs, lengthen review times of any future products, or make it more difficult to manufacture, market or distribute our products. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future.

For example, in March 2010, the PPACA was enacted in the United States, which made a number of substantial changes in the way healthcare is financed by both governmental and private insurers. Among other ways in which it may impact our business, the PPACA:

- established a new Patient-Centered Outcomes Research Institute to oversee and identify priorities in comparative clinical effectiveness research in an effort to coordinate and develop such research;
- required manufacturers to report certain payments and other transfers of value pursuant to the Physician Payments Sunshine Act, described above;
- implemented payment system reforms including a national pilot program on payment bundling to encourage hospitals and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models; and
- expanded the eligibility criteria for Medicaid programs and, originally, required certain employers to provide, and all individuals to obtain, health insurance.

We expect additional state and federal healthcare reform measures to be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, or the availability of health insurance coverage, which could result in reduced demand for our products and services or additional pricing pressure.

Our business may be subject to additional federal, state and foreign fraud and abuse laws, health information privacy and security laws and transparency laws, which, if violated, could subject the Company to substantial penalties. Additionally, any challenge to or investigation into the Company's practices under these laws could cause adverse publicity and be costly to respond to, and thus could harm the Company's business.

There are numerous U.S. federal and state laws pertaining to healthcare fraud and abuse, including anti-kickback, beneficiary inducement, false claims and transparency laws. The Company's business practices and relationships with providers, patients and third-party payors will be subject to scrutiny under these laws. The Company may also be subject to patient information privacy and security regulation by both the federal government in addition to the states and foreign jurisdictions in which the Company will conduct its business. The healthcare laws and regulations that may affect the Company's ability to operate include:

- Federal beneficiary inducement civil monetary penalties laws prohibit the provision of something of value to influence the selection of a particular provider, supplier or practitioner for items or services reimbursable under the federal Medicare and Medicaid programs. Violations may incur fines or exclusion from billing federal healthcare programs. We believe the Company makes reasonable, good faith efforts to collect amounts owed to the Company. However, amounts owed by individual patients, if not collected, could potentially subject the Company to civil monetary penalties if intended to influence a patient's selection of a healthcare provider.

- There are states in which the Company operates that have laws that prohibit business entities from directly practicing medicine, employing physicians or other healthcare professionals to practice healthcare or exercising control over clinical decisions by physicians or other healthcare professionals (known generally as the prohibition on corporate practice of medicine). In addition, various state laws also prohibit entities from engaging in certain financial arrangements, such as splitting or sharing a physician's professional fees. These laws are intended to avoid interference with or undue influence of a physician's professional judgment. The laws of some other states do not prohibit non-physician entities from employing physicians to practice medicine but may retain a ban on some types of fee-splitting arrangements. Corporate practice of medicine and fee splitting laws vary from state to state and are not always consistent among states. In some states these prohibitions are set forth in a statute or regulation, while in other states the prohibition is a matter of judicial or regulatory interpretation. Decisions and activities beyond those directly related to the delivery of healthcare, such as scheduling, contracting, setting rates and the hiring and management of non-clinical personnel, may also implicate the restrictions on the corporate practice of medicine in some states. The consequences of violating the corporate practice of medicine laws vary by state and may result in physicians being subject to disciplinary action, as well as the forfeiture of revenues from payors for services rendered. For lay entities, violations may also bring both civil and, in more extreme cases, criminal liability for engaging in medical practice without a license. Some of the relevant laws, regulations and agency interpretations in states with corporate practice of medicine restrictions have been subject to limited judicial and regulatory interpretation. In limited cases, courts have required management services companies to divest or reorganize structures deemed to violate corporate practice restrictions. Moreover, these state laws are subject to change. While the Company believes that the Company, including via its contractual relationships with supported physician groups, is in substantial compliance with state laws prohibiting the corporate practice of medicine and fee-splitting, other parties may assert that, despite the way the Company will be structured, the Company could be engaged in the corporate practice of medicine or unlawful fee-splitting. In this event, failure to comply could lead to adverse judicial or administrative action against the Company or the Company's healthcare provider practices, overpayment demands, civil or criminal penalties, receipt of cease and desist orders from state regulators, loss of provider licenses, or the need to make changes to the terms of engagement of the Company's healthcare provider practices that interfere with the Company's business, each of which could have a material adverse impact on the Company's business, results of operations and financial condition.

- In certain jurisdictions, we have services agreements with supported physician groups to we provide these professional entities with comprehensive non-clinical management services. Disruption to these relationships could negatively impact Greenbrook's ability to provide (and receive payment for) these services. The owner of Greenbrook's largest supported physician groups has notified Greenbrook that he intends to transition out of the relationship by October 1, 2026. The Company's inability to find a suitable replacement for this relationship could have a material adverse effect on the Company's business, results of operations and financial condition.

- The AKS is a criminal statute that prohibits healthcare providers and others from directly or indirectly soliciting, receiving, offering or paying any remuneration, in cash or in kind, as an inducement or reward for using, referring, ordering, recommending or arranging for referrals or orders of services or other items paid in whole or in part by a government healthcare program. The AKS may be found to have been violated if at least one purpose of the remuneration is to induce or reward referrals. An individual is not required to have actual knowledge or specific intent to commit a violation of the AKS to be found guilty of violating the law.

The Office of Inspector General of the United States Department of Health and Human Services has issued safe harbor regulations that protect certain types of common arrangements from prosecution or sanction under the AKS. Other types of arrangements may be protected under statutory exceptions. According to the Office of Inspector General, arrangements that comply with a safe harbor are immune from prosecution under the AKS. All the conditions of a safe harbor must be met for it to apply; substantial compliance is not

sufficient. The fact that conduct or a business arrangement does not fall within a safe harbor does not automatically render the conduct or business arrangement illegal under the AKS. However, conduct and business arrangements falling outside the safe harbors may lead to increased scrutiny by government enforcement authorities.

Where the AKS has been violated, the government may proceed criminally or civilly. If the government proceeds criminally, a violation of the AKS is a felony that is punishable by up to ten years imprisonment, a fine, and mandatory exclusion from participation in all federal health care programs. If the government proceeds civilly, it may impose civil monetary penalties per violation, among other penalties. In addition, a claim that includes items or services resulting from a violation of the AKS constitutes a false claim for purposes of the FCA.

Although the Company believes that its financial arrangements, incentives, marketing activities, provider directory services and other activities involving healthcare providers and other referral sources or service providers comply with current law and available interpretative guidance, as a practical matter it is not always possible to structure our arrangements so as to fall squarely within an available AKS safe harbor. Where that is the case, compliance with the AKS is evaluated on a case-by-case basis. The Company cannot guarantee that applicable regulatory authorities will not assert or determine that these financial arrangements violate the AKS or other applicable laws, including state anti-kickback laws. The failure to comply with the AKS could lead to adverse judicial or administrative action against the Company, overpayment demands, civil or criminal penalties, and exclusion from participation in Federal health care programs, each of which could have a material adverse impact on the Company's business, results of operations and financial condition.

- The Stark Law prohibits physicians from referring Medicare and Medicaid patients to healthcare entities with which they or any of their immediate family members have a financial relationship for the furnishing of any "designated health services," unless certain exceptions apply. The Stark Law is a strict liability statute, meaning that no intent is required to violate the law, and even a technical violation may lead to significant penalties. A violation of the Stark Law, including schemes to circumvent the Stark Law, may result in a denial of Medicare or Medicaid payment, required refunds to the Medicare or Medicaid programs and the imposition of civil monetary penalties for each claim knowingly submitted in violation of the Stark Law. A violation of the Stark Law may also result in liability under the FCA. There are ownership and compensation arrangement exceptions for many customary financial arrangements between physicians and entities, including the employment exception, personal service arrangements exception, lease exception and certain recruitment exceptions, among others. The Company believes that the TMS therapy services furnished by the healthcare provider practices with which the Company contracts do not implicate the Stark Law because they do not constitute "designated health services." However, it is possible that the federal government could designate TMS therapy services or additional service lines offered by the Company as "designated health services" in the future, which might require the Company to restructure its arrangements with healthcare providers. Additionally, to the extent any activity involving SPRAVATO constitutes a "designated health service," arrangements between any physician (or family member) making a referral to an entity in which the physician (or family member) maintains a financial relationship, including Company, must comply the Stark Law and state analogues, if any, in applicable jurisdictions. States (as required in order to maintain Medicaid funding) have further enacted similar prohibitions that apply to Medicaid, as well as other insurance programs, and which may be more restrictive than the Stark Law.

- The FCA provides the government a tool to pursue healthcare providers for submitting false claims or requests for payment for healthcare items or services. Under the FCA, the government may penalize any person or entity that, among other things, knowingly submits, or causes the submission of, false or fraudulent claims for payment to the federal government or knowingly and improperly avoids or decreases an obligation to pay money to the federal government. The federal government has widely used the FCA to prosecute Medicare and other federal health care program fraud, such as billing for services not provided or not supported by appropriate documentation, submitting false cost reports,

and providing care that is not medically necessary or that is substandard in quality. Claims for services or items rendered in violation of the AKS or the Stark Law are also a basis for liability under the FCA. The FCA is also implicated by the knowing failure to report and return an identified overpayment to the Medicare or Medicaid programs within 60 days of identifying the overpayment or by the date a corresponding cost report is due, whichever is later.

Violations of the FCA are punishable by significant monetary penalties for each fraudulent claim plus three times the amount of damages sustained by the government. In addition, under the qui tam, or whistleblower, provisions of the FCA, private parties may bring actions under the FCA on behalf of the federal government. These private parties, known as relators, are entitled to share in any amounts recovered by the government, and, as a result, whistleblower lawsuits have increased significantly in recent years. Even if federal enforcement authorities decide not to pursue a case brought by a relator, the relator may in certain circumstances continue to pursue the case on its own. Many states have similar false claims statutes that impose liability for the types of acts prohibited by the FCA or that otherwise prohibit the submission of false or fraudulent claims to the state government or Medicaid program. Any FCA action brought against the Company, even if successfully defended, could result in significant legal expenses and divert attention from the operation of the Company's business. In certain instances, relators have been current or former employees of companies subject to qui tam litigations, even when these employees knew of or participated in the alleged malfeasance.

In addition to the FCA, the federal government may use several criminal laws, such as the federal mail fraud, wire fraud or healthcare fraud statutes, to prosecute the submission of false or fraudulent claims for payment to the federal government. Most states have also adopted generally applicable insurance fraud statutes and regulations that prohibit healthcare providers from submitting inaccurate, incorrect or misleading claims to private insurance companies. The Company believe that it has implemented safeguards and procedures to complete claim forms and requests for payment in an accurate manner and to operate in compliance with applicable laws. However, the possibility of billing or other errors can never be completely eliminated, and the Company cannot guarantee that the federal government, a state government, or a qui tam relator, upon audit or review, would not take the position that billing or other errors, should they occur, are violations of the FCA.

- The administrative simplification provisions of the Health Insurance Portability and Accountability Act, or HIPAA, as amended HITECH, require the use of uniform electronic data transmission standards for healthcare claims and payment transactions submitted or received electronically. These provisions are intended to encourage electronic commerce in the healthcare industry. HIPAA, HITECH and their respective implementing regulations also established federal rules relating to the privacy and security of individually identifiable protected health information, or PHI. The privacy regulations under HIPAA govern the use and disclosure of PHI and the rights of patients to be informed about and control how such PHI is used and disclosed. The HIPAA security regulations require healthcare providers to implement administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of electronic PHI. Concerns regarding compliance with the HIPAA privacy and security regulations have been an area of increased focus and enforcement by regulators in the Department of Health and Human Services Office for Civil Rights. These laws include significant penalties for wrongful acquisition, use, access or disclosure of protected health information, or failure to maintain the administrative, physical and technical security of protected health information. Further, electronic claims transactions must comply with standards established under these laws, otherwise payments may be delayed or rejected. Related laws also include penalties for healthcare providers that unreasonably interfere with access, exchange, or use of electronic health information.

Among other things, HITECH strengthened certain HIPAA rules regarding the use and disclosure of PHI, extended certain HIPAA provisions to business associates and created security breach notification requirements, including notifications to the individuals affected by the breach, the Department of Health and Human Services, and in certain cases, the media. HITECH has also increased maximum civil and criminal

penalties for violations of HIPAA. The Company believes that it has been in material compliance with the HIPAA regulations and have developed policies and procedures to ensure ongoing compliance, although it cannot guarantee that any healthcare provider practices will not be subject to fines or penalties as a result of erroneous disclosures, security incidents or breaches.

The Physician Payments Sunshine Act, requires, among other things, certain manufacturers of drugs, devices, biologics and medical supplies reimbursed under Medicare, Medicaid, or the Children's Health Insurance Program (with certain exceptions) to report annually to CMS, information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) other professionals (physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, and certified nurse-midwives) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members. As such, the Company and its subsidiaries must report various exchanges of value with healthcare providers, even in the context of compliant financial relationships with healthcare providers.

If we are unable to achieve and maintain adequate levels of third-party payer coverage and reimbursement for any product we may offer, on reasonable pricing terms, the Company may not be paid for products that have been administered to patients.

Contracted healthcare provider practices administer SPRAVATO to eligible patients using both Administer & Observe and Buy & Bill processes. Under the Administer & Observe model, SPRAVATO is acquired under the patient's pharmacy benefit without cost to us, and the healthcare provider practices receive payment for administering the drug and observing the patient. Under the Buy & Bill model, we provide the cash for the healthcare provider practices to purchase the drug, following which the healthcare provider practices bill the patient for both the drug and the administration and observation. Certain insurance companies only provide reimbursement for SPRAVATO under the Buy & Bill model. Although this model is generally subject to higher reimbursement rates, it is more capital intensive because SPRAVATO is purchased directly by contracted healthcare providers using funds advanced by the Company. If contracted healthcare provider practices are unable to obtain payment from the applicable third-party payors or, if applicable, patients, they may not be paid for services rendered, which may delay accounts receivable collection, impairing contracted practices' ability to reimburse the Company for administrative services. Additionally, to the extent SPRAVATO constitutes a "designated health service" for which a Greenbrook-affiliated healthcare provider must make a referral, or is otherwise reimbursable under federal healthcare reimbursement programs, such as Medicare and Medicaid, the Company may be subject to healthcare regulatory risk to the extent that compensation arrangements between the Company, Greenbrook, drug manufacturers (or other suppliers) and any employed or contracted healthcare providers or other providers fail to comply with federal anti-kickback and self-referral laws, as well as any state analogues, if any, in applicable jurisdictions.

If the Company's inventory of SPRAVATO is damaged or expires, we may not be able to sell products for which it has paid, which may delay our accounts receivable collection, impair our cash flow and limit our ability to reach profitability.

Our products and services and operations are subject to extensive government regulation and oversight both in the United States and abroad, and our failure to comply with applicable requirements could harm our business.

We and our products and services are subject to extensive regulation in the United States and elsewhere, including by the FDA, FTC, and their foreign counterparts. The FDA and foreign regulatory agencies regulate, among other things, with respect to medical devices: design, development and manufacturing; testing, labeling, content and language of instructions for use and storage; clinical trials; product safety; marketing, sales and distribution; premarket clearance and approval; record keeping procedures; advertising and promotion; recalls and field safety corrective actions; post-market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury; post-market approval studies; and product import and export.

The regulations to which we are subject are complex and have tended to become more stringent over time. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, higher than anticipated costs or lower than anticipated sales. The FDA enforces these regulatory requirements through, among other means, periodic unannounced inspections. We do not know whether we will pass any future FDA inspections. Failure to comply with applicable regulations could jeopardize our ability to sell our products and services and result in enforcement actions such as: warning letters; fines; injunctions; civil penalties; termination of distribution; recalls or seizures of products; delays in the introduction of products into the market; total or partial suspension of production; refusal to grant future clearances or approvals; withdrawals or suspensions of current clearances or approvals, resulting in prohibitions on sales of our products and services; and in the most serious cases, criminal penalties.

We may not receive the necessary regulatory clearances or approvals to market our future products or other proposed indications for our products and services in the future, and failure to timely obtain necessary clearances or approvals for such future products or indications would adversely affect our ability to grow our business.

An element of our strategy is to continue to upgrade our products and services, add new enhancements and features and expand clearance or approval of our current products to include new indications. In the United States, before we can market a new medical device, or a new use of, new claim for or significant modification to an existing product, we must first receive either clearance under Section 510(k) of the Federal Food, Drug and Cosmetic Act or approval of a PMA from the FDA, unless an exemption applies. In the 510(k) clearance process, before a device may be marketed, the FDA must determine that a proposed device is "substantially equivalent" to a legally-marketed "predicate" device, which includes a device that has been previously cleared through the 510(k) process, a device that was legally marketed prior to May 28, 1976 (pre-amendments device), a device that was originally on the U.S. market pursuant to an approved PMA and later down-classified, or a 510(k)-exempt device. To be "substantially equivalent," the proposed device must have the same intended use as the predicate device, and either have the same technological characteristics as the predicate device or have different technological characteristics and not raise different questions of safety or effectiveness than the predicate device. Clinical data are sometimes required to support substantial equivalence. In the PMA process, the FDA must determine that a proposed device is safe and effective for its intended use based, in part, on extensive data, including, but not limited to, technical, pre-clinical, clinical trial, manufacturing and labeling data. Our ability to successfully obtain clearance for any new indications will be dependent on us submitting data as to the successful completion of clinical trials evidencing safety and efficacy. The PMA process is typically required for devices that are deemed to pose the greatest risk, such as life-sustaining, life-supporting or implantable devices. However, some devices are automatically subject to the PMA pathway regardless of the level of risk they pose because they have not previously been classified into a lower risk class by the FDA. Manufacturers of these devices may request that FDA review such devices in accordance with the *de novo* classification procedure, which allows a manufacturer whose novel device would otherwise require the submission and approval of a PMA prior to marketing to request down-classification of the device on the basis that the device presents low or moderate risk. If the FDA agrees with the down-classification request, the applicant will then receive authorization to market the device. This device type can then be used as a predicate device for future 510(k) submissions. We initially received marketing authorization of our device through the *de novo* classification process, and we have made changes to our system through subsequent 510(k) clearances. Competitors may seek 510(k) clearance of similar products with similar indications and use our de novo classification as a predicate device in their submission. The process of obtaining regulatory clearances or approvals, or completing the *de novo* classification process, to market a medical device can be costly and time consuming, and we may not be able to successfully obtain pre-market reviews on a timely basis, if at all.

The FDA can delay, limit or deny clearance or approval of a device for many reasons, including: we may be unable to demonstrate to the FDA's satisfaction that the product or modification is substantially equivalent to the proposed predicate device or safe and effective for its intended use; the data from our pre-clinical studies and clinical trials may be insufficient to support clearance or approval, where required; and the manufacturing process or facilities we use may not meet applicable requirements. The FDA may also, instead of accepting a

510(k) submission, require us to submit a PMA, which is typically a much more complex, lengthy, and burdensome application than a 510(k) submission. To support a PMA, the FDA would likely require that we conduct one or more clinical studies to demonstrate that the device is safe and effective. In some cases, such studies may be requested for a 510(k) as well. We may not be able to meet the requirements to obtain 510(k) clearance or PMA (or a de novo classification request), in which case the FDA may not grant any necessary clearances or approvals. In addition, the FDA may place significant limitations upon the intended uses of our products as a condition to a 510(k) clearance or PMA. Product applications can also be denied or withdrawn due to failure to comply with regulatory requirements or the occurrence of unforeseen problems following clearance or approval. Any delays or failure to obtain FDA clearance or approval of new products we develop, any limitations imposed by the FDA on new product use or the costs of obtaining FDA clearance or approvals could have a material adverse effect on our business, financial condition, and results of operations.

Even if granted, a 510(k) clearance, *de novo* classification, or PMA imposes substantial restrictions on how our devices may be marketed or sold, and the FDA continues to place considerable restrictions on our products and operations. For example, the manufacture of medical devices must comply with the QSR. In addition, manufacturers must register their manufacturing facilities, list the products with the FDA, and comply with requirements relating to labeling, marketing, complaint handling, adverse event and medical device reporting, reporting of corrections and removals, and import and export restrictions. The FDA monitors compliance with the QSR and these other requirements through periodic inspections. If our facilities or those of our manufacturers or suppliers are found to be in violation of applicable laws and regulations, or if we or our manufacturers or suppliers fail to take satisfactory corrective action in response to an adverse inspection, the regulatory authority could take enforcement action, including any of the following sanctions: untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties; customer notifications or repair, replacement, refunds, recalls, detention or seizure of our products; operating restrictions or partial suspension or total shutdown of production; refusing or delaying requests for 510(k) marketing clearance or PMA of new products or modified products; withdrawing 510(k) marketing clearances or PMAs that have already been granted; refusing to provide Certificates for Foreign Government; refusing to grant export approval for our products; or pursuing criminal prosecution. Any of these sanctions could impair our ability to produce or commercialize our products in a cost-effective and timely manner in order to meet our customers' demands and could have a material adverse effect on our reputation, business, results of operations and financial condition. We may also be required to bear other regulatory compliance costs or take other actions that may have a negative impact on our sales and our ability to generate profits.

In addition, the FDA may change its clearance and approval policies, adopt additional regulations or revise existing regulations, or take other actions, which may prevent or delay approval or clearance of our future products under development or impact our ability to modify our currently marketed products on a timely basis. Such policy or regulatory changes could impose additional requirements upon us that could delay our ability to obtain new 510(k) clearances, increase the costs of compliance or restrict our ability to maintain our current clearances. We also cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad, especially with a new administration that may have different policy priorities than the previous one.

In order to sell our products in member countries of the European Economic Area (the "EEA") or in countries that also rely on the CE Mark outside the EEA, our products must comply with the essential requirements of the EU Medical Devices Directive (Council Directive 93/42/EEC), and with the Medical Device Regulation (Regulation 2017/745). Compliance with these requirements is a prerequisite to be able to affix the CE Mark to our products, without which they cannot be sold or marketed in the EEA. To demonstrate compliance with the essential requirements we must undergo a conformity assessment procedure, which varies according to the type of medical device and its classification. Except for low-risk medical devices (Class I non-sterile, non-measuring devices), where the manufacturer can issue an EC Declaration of Conformity based on a self-assessment of the conformity of its products with the essential requirements of the EU Medical Devices Directive, a conformity assessment procedure requires the intervention of an organization accredited by a Member State of the EEA to conduct conformity assessments, or a Notified Body. Depending on the relevant conformity assessment procedure, the Notified Body would typically audit and examine the technical file and

the quality system for the manufacture, design and final inspection of our devices. The Notified Body issues a certificate of conformity following successful completion of a conformity assessment procedure conducted in relation to the medical device and its manufacturer and their conformity with the essential requirements. This certificate entitles the manufacturer to affix the CE Mark to its medical devices after having prepared and signed a related EC Declaration of Conformity. Maintenance of the CE Mark is expensive and labor intensive. Although we currently hold a CE Mark for NeuroStar, we are actively considering dropping it because we do not currently sell products in the EU and may conclude that the cost and effort of maintaining it are not justified given our priorities.

As a general rule, demonstration of conformity of medical devices and their manufacturers with the essential requirements must be based, among other things, on the evaluation of clinical data supporting the safety and performance of the products during normal conditions of use. Specifically, a manufacturer must demonstrate that the device achieves its intended performance during normal conditions of use, that the known and foreseeable risks, and any adverse events, are minimized and acceptable when weighed against the benefits of its intended performance, and that any claims made about the performance and safety of the device are supported by suitable evidence. If we fail to remain in compliance with applicable European laws and directives, we would be unable to continue to affix the CE Mark to our surgical systems, which would prevent us from selling them within the EEA and may have an impact on our marketing authorization in other countries.

We or our distributors will also need to obtain or retain regulatory approval in other foreign jurisdictions in which we plan to or currently do market and sell our products, and we or they may not obtain such approvals as necessary to commercialize our products in those territories. Regulatory marketing authorizations in these foreign jurisdictions typically require device testing, conformance to classification requirements, pre-market requests to authorize commercialization, and in some cases inspections.

Modifications to our products may require new 510(k) clearances. de novo classification, or PMAs, and may require us to cease marketing or recall the modified products until clearances or approvals are obtained.

Any modification to a 510(k)-cleared product that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, design or manufacture, requires a new 510(k) clearance or de novo classification, or, possibly, approval of a PMA. Modifications to products that have been approved through the PMA process generally require premarket FDA approval. Similarly, certain modifications made to products cleared through a 510(k) or authorized through the de novo classification process may require a new 510(k) clearance. Each of the PMA, de novo classification, and the 510(k) clearance processes can be expensive, lengthy, and uncertain. The FDA's 510(k) clearance process usually takes from three to 12 months, but can last longer. The process of obtaining a PMA is much more costly and uncertain than the 510(k) clearance process and generally takes from one to three years, or even longer, from the time the application is filed with the FDA. In addition, a PMA generally requires the performance of one or more clinical trials.

Despite the time, effort, and cost, a device may not be approved or cleared by the FDA. Any delay or failure to obtain necessary regulatory authorizations could harm our business. Furthermore, even if we are granted regulatory authorizations, they may include significant limitations on the indicated uses for the device, which may limit the market for the device.

Any modifications to our existing products may require new 510(k) clearance; however, future modifications may be subject to the substantially more costly, time-consuming, and uncertain PMA process. If the FDA requires us to go through a lengthier, more rigorous examination for future products or modifications to existing products than we had expected, product introductions or modifications could be delayed or canceled, which could cause our sales to decline.

The FDA requires every manufacturer to make this modification determination in the first instance, but the FDA may review any manufacturer's decision. The FDA may not agree with our decisions regarding whether new clearances or approvals are necessary. We have made modifications to our products in the past and have determined based on our review of the applicable FDA regulations and guidance that in certain instances new 510(k) clearances were not required. We may make similar modifications or add additional enhancements or features in the future that we believe do not require a new 510(k) clearance or approval of a PMA. If the FDA disagrees with our determination and requires us to submit new 510(k) notifications, *de novo* classifications, or PMAs for modifications to our previously authorized products for which we have concluded that new clearances or approvals are unnecessary, we may be required to cease marketing or to recall the modified product until we obtain clearance or approval, and we may be subject to significant regulatory fines or penalties. In addition, the FDA may not approve or clear our products for the indications that are necessary or desirable for successful commercialization or could require clinical trials to support any modifications. Any delay or failure in obtaining required clearances or approvals would adversely affect our ability to introduce new or enhanced products in a timely manner, which in turn would harm our future growth.

Our products and services must be manufactured in accordance with federal and state regulations, and we could be forced to recall our installed systems or terminate production if we fail to comply with these regulations.

The methods used in, and the facilities used for, the manufacture of our products must comply with the FDA's QSR, which is a complex regulatory scheme that covers the procedures and documentation of the design, testing, production, process controls, quality assurance, labeling, packaging, handling, storage, distribution, installation, servicing and shipping of medical devices. Furthermore, we are required to verify that our suppliers maintain facilities, procedures and operations that comply with our quality standards and applicable regulatory requirements. Compliance with the QSR is necessary to receive FDA clearance or approval to market new products and is necessary for a manufacturer to be able to continue to market cleared or approved devices in the United States. The FDA enforces the QSR through periodic announced or unannounced inspections of medical device manufacturing facilities, which may include the facilities of subcontractors. Our products are also subject to similar state regulations and various laws and regulations of foreign countries governing manufacturing. Foreign regulatory authorities also impose manufacturing quality requirements, which may differ from the FDA requirements, with which we must comply.

We or our third-party suppliers and manufacturers may not take the necessary steps to comply with applicable regulations, which could cause delays in the delivery of our products. In addition, failure to comply with applicable FDA or foreign jurisdiction requirements or later discovery of previously unknown problems with our products or manufacturing processes could result in, among other things: warning letters or untitled letters; fines, injunctions or civil penalties; suspension or withdrawal of approvals or clearances; seizures or recalls of our products; total or partial suspension of production or distribution; administrative or judicially imposed sanctions; the FDA's refusal to grant pending or future clearances or approvals for our products; clinical holds; refusal to permit the import or export of our products; and criminal prosecution of us or our employees.

Any of these actions could significantly and negatively impact supply of our products. If any of these events occurs, our reputation could be harmed, we could be exposed to product liability claims and we could lose customers and suffer reduced revenues and increased costs.

If treatment guidelines for the clinical conditions we are targeting change or the standard of care evolves, we may need to redesign and seek new marketing authorization from the FDA for one or more of our products.

If treatment guidelines for the clinical conditions we are targeting or the standard of care for such conditions evolves, we may need to redesign the applicable product and seek new clearances or approvals from the FDA. Our existing 510(k) and *de novo* clearances from the FDA are based on current treatment guidelines. If

treatment guidelines change so that different treatments become desirable, the clinical utility of one or more of our products could be diminished and our business could suffer.

The misuse or off-label use of our products may harm our reputation in the marketplace, result in injuries that lead to product liability suits or result in costly investigations, fines or sanctions by regulatory bodies, particularly if we are deemed to have engaged in the promotion of these uses, any of which could be costly to our business.

Our product has been authorized for marketing by the FDA for a specific indication. We train our commercial organization and distributors inside and outside the United States to not promote our products for uses outside of the FDA-cleared indications for use, known as "off-label uses." However, we cannot guarantee that all of our employees, representatives, and agents will abide by our marketing policies.

If the FDA or any foreign regulatory body determines that our promotional materials, training, or other marketing activities constitute promotion of an off-label or unapproved use, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance or imposition of an untitled letter, which is used for violations that do not necessitate a warning letter, injunction, seizure, civil fine or criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action under other regulatory authority, such as laws prohibiting false claims for reimbursement.

Moreover, even if we, and all our employees, contractors, and agents, market our products in compliance with applicable FDA regulations, such regulations do not apply to the practice of medicine, and we cannot prevent a physician from prescribing or using our products off-label when, in the physician's independent professional medical judgment, he or she deems it appropriate. Similarly, we cannot prevent patients from using our products off-label. There may be increased risk of injury to patients if physicians attempt to prescribe, or patients attempt to use, our products off-label. Furthermore, the use of our products for indications other than those authorized by the FDA may not effectively treat such conditions, which could harm our reputation in the marketplace among physicians and patients. There are similar risks if our products are used off-label with respect to non-U.S. regulatory approvals.

Our products and services may cause or contribute to adverse medical events that we are required to report to the FDA, and if we fail to do so, we would be subject to sanctions that could harm our reputation, business, financial condition and results of operations. The discovery of serious safety issues with our products and services, or a recall of our products and services either voluntarily or at the direction of the FDA or another governmental authority, could have a negative impact on us.

We are subject to the FDA's medical device reporting regulations and similar foreign regulations, which require us to report to the FDA when we receive or become aware of information that reasonably suggests that one or more of our products and services may have caused or contributed to a death or serious injury or malfunctioned in a way that, if the malfunction were to recur, it could cause or contribute to a death or serious injury. The timing of our obligation to report is triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events of which we become aware within the prescribed timeframe. We may also fail to recognize that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of the product. If we fail to comply with our reporting obligations, the FDA could take action, including warning letters, untitled letters, administrative actions, criminal prosecution, imposition of civil monetary penalties, revocation of our device clearance, seizure of our products or delay in clearance of future products.

The FDA and foreign regulatory bodies have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture of a product or in the event that a product poses an unacceptable risk to health. The FDA's authority to require a recall must be based on a finding that there is reasonable probability that the device could cause serious injury or death. We may also

choose to voluntarily recall a product if any material deficiency is found. A government-mandated or voluntary recall by us could occur as a result of an unacceptable risk to health, component failures, malfunctions, manufacturing defects, labeling or design deficiencies, packaging defects or other deficiencies or failures to comply with applicable regulations. Product defects or other errors may occur in the future. If we initiate a correction or removal for one of our devices to reduce a risk to health posed by the device, we would be required to submit a publicly available Correction and Removal report or Safety Alert to the FDA and, in many cases, similar reports to other regulatory agencies. This report could be classified by the FDA as a device recall which could lead to increased scrutiny by the FDA, other international regulatory agencies, and our customers regarding the quality and safety of our devices. Furthermore, the submission of these reports could be used by competitors against us in competitive situations and cause customers to delay purchase decisions or cancel orders and would harm our reputation.

Depending on the corrective action we take to redress a product's deficiencies or defects, the FDA may require, or we may decide, that we will need to obtain new approvals or clearances for the device before we may market or distribute the corrected device. Seeking such approvals or clearances may delay our ability to replace the recalled devices in a timely manner. Moreover, if we do not adequately address problems associated with our devices, we may face additional regulatory enforcement action, including FDA warning letters, product seizure, injunctions, administrative penalties or civil or criminal fines.

Companies are required to maintain certain records of recalls and corrections, even if they are not reportable to the FDA. We may initiate voluntary withdrawals or corrections for our products in the future that we determine do not require notification to the FDA. If the FDA disagrees with our determinations, it could require us to report those actions as recalls and we may be subject to enforcement action. A future recall announcement could harm our reputation with customers, potentially lead to product liability claims against us and negatively affect our sales.

Any adverse event involving our products could result in voluntary corrective actions, such as recalls or customer notifications, or agency action, such as inspection, mandatory recall or other enforcement action. Any corrective action, whether voluntary or involuntary, as well as exposing us to private litigation, would require the dedication of our time and capital, distract management from operating our business and may harm our reputation and financial results.

If we or our distributors do not obtain and maintain international regulatory registrations or approvals for our products, we will be unable to market and sell our products outside of the United States. We may decide not to maintain our CE Mark.

Sales of our products outside of the United States are subject to foreign regulatory requirements that vary widely from country to country. In addition, the FDA regulates exports of medical devices from the United States. While the regulations of some countries may not impose barriers to marketing and selling our products or only require notification, others require that we or our distributors obtain the approval of a specified regulatory body. Complying with foreign regulatory requirements, including obtaining registrations or approvals, can be expensive and time-consuming, and we or our distributors may not receive regulatory approvals in each country in which we plan to market our products or we may be unable to do so on a timely basis. The time required to obtain registrations or approvals, if required by other countries, may be longer than that required for FDA clearance or approval, and requirements for such registrations, clearances or approvals may significantly differ from FDA requirements. If we modify our products, we or our distributors may need to apply for additional regulatory approvals before we are permitted to sell the modified product. In addition, we may not continue to meet the quality and safety standards required to maintain the authorizations that we or our distributors have received. If we or our distributors are unable to maintain our authorizations in a particular country, we will no longer be able to sell the applicable product in that country.

Regulatory clearance or approval by the FDA and the permission to affix the CE Mark does not ensure clearance or approval by regulatory authorities in other countries, and clearance or approval by one or more foreign regulatory authorities does not ensure clearance or approval by regulatory authorities in other foreign

countries or by the FDA. However, a failure or delay in obtaining regulatory clearance or approval in one country may have a negative effect on the regulatory process in others.

Although we currently hold a CE Mark for NeuroStar, we are actively considering dropping it because we do not currently sell products in the EU and may conclude that the cost and effort of maintaining it are not justified given our priorities.

Regulatory and compliance requirements associated with our billing and collections system could have a material adverse effect on our revenues, cash flows and operating results.

We accept payments using a variety of methods, including credit cards and debit cards. For existing and future payment methods we offer to our customers, we may become subject to additional regulations and compliance requirements, as well as fraudulent activities. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time, raising our operating costs and lowering profitability.

We rely on third party service providers for payment processing services, including the processing of credit and debit cards. Our business may be negatively affected if these third-party service providers become unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, including data security and management rules, certification requirements and rules governing electronic funds transfers and if we fail to comply with these rules or requirements, or if our data security systems are breached or compromised, we may be liable for card issuing banks' costs, subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from our patients and process electronic funds transfers or facilitate other types of payments, and our business and operating results may be adversely affected.

We may become subject to professional malpractice liability, which could be costly and negatively impact our business.

The clinicians contracted or employed by us or our healthcare provider practices could be subject to malpractice claims from time to time. Where required by law, we structure our relationships with the practices under our management services agreements in a manner that we believe does not constitute the practice of medicine by us or subject us to professional malpractice claims for acts or omissions of clinicians employed by the healthcare provider practices. Nevertheless, claims, suits or complaints relating to services provided by the clinicians contracted or employed by us or our healthcare provider practices may arise. In addition, we may be subject to professional liability claims, including, without limitation, for improper use or malfunction of our TMS devices, improper administration of SPRAVATO or the misconduct of our technicians. We may not be able to maintain adequate liability insurance to protect us against those claims at acceptable costs or at all. Any claim made against us that is not fully covered by insurance could be costly to defend, result in a substantial damage award against us and divert the attention of our management from our operations, all of which could have an adverse effect on our financial performance. In addition, successful claims against us may adversely affect our business or reputation.

The effect of the uncertainty relating to potential future changes to U.S. healthcare laws may increase our and our clinical partners' and contractors' healthcare costs, limit the ability of patients to obtain health insurance, increase patients' share of healthcare costs and negatively impact our financial results.

The Trump administration and the U.S. Congress are considering a number of legislative and regulatory proposals that could, if passed into law, impact the healthcare system, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, the "ACA"), or the Medicare and Medicaid programs. Congress may take up legislation to increase or decrease the number of individuals covered by the Medicare or Medicaid programs, reduce, subsidies available in conjunction with the purchase of other health insurance, reduce prescription drug costs, increase price transparency for

consumers, restrict the sale of certain classes of drugs, and reform medication management practices, among others. While not all of the potential legislation, if enacted, would affect our business directly, many of these legislative proposals could impact some or many of our business arrangements directly or indirectly. In addition, regulatory agencies have separately implemented price transparency rules for hospitals and insurers which, while not impacting our business directly, could change the way we interact with these entities. Given that legislative and regulatory change is still evolving, we cannot predict with any certainty the outcome of any future legislation or regulation. However, we believe that many of the legislative items noted above enjoy bipartisan support.

The regulatory framework in which we operate is constantly evolving.

Healthcare laws and regulations are constantly evolving and could change significantly in the future. We closely monitor these developments and will modify our operations from time to time as the regulatory environment requires. There can be no assurances, however, that we will always be able to adapt our operations to address new laws or regulations or that new laws or regulations will not adversely affect our business. In addition, although we believe that we are operating in material compliance with applicable federal and state laws and regulations, neither our current or anticipated business operations nor the operations of our healthcare provider practices have been the subject of judicial or regulatory interpretation. We cannot assure investors that a review of our business by regulatory authorities or courts will not result in a determination that could materially adversely affect our operations or that the healthcare regulatory environment will not change in a way that materially restricts our operations. Furthermore, governments, government agencies and industry self-regulatory bodies in the United States may, from time to time, adopt statutes, regulations and rulings that directly or indirectly affect the activities of the Company. These statutes, regulations and rulings could adversely impact our ability to execute our business strategy and generate revenues as planned.

Risks Related to Intellectual Property

If we are not able to obtain and enforce patent protection for our technologies, products, or product candidates, development and commercialization of our products and product candidates may be adversely affected.

Our commercial success will depend in part on our success in obtaining and maintaining issued patents and other intellectual property rights in the United States and elsewhere and protecting our proprietary technology. If we do not adequately protect our intellectual property and proprietary technology, competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability. We have applied, and we intend to continue applying, for patents covering aspects of our technologies that we deem appropriate. However, the patent process is expensive and time consuming, and we may not be able to apply for patents on certain aspects of our current or future products and other technologies in a timely fashion, at a reasonable cost, in all jurisdictions, or at all, and any potential patent coverage we obtain may not be sufficient to prevent substantial competition.

We cannot offer any assurances about which, if any, of our patent applications will issue or whether any of our issued patents will be found invalid and unenforceable or will be threatened by third parties. Any patent applications we file may be challenged and may not result in issued patents or may be invalidated or narrowed in scope after they are issued. We also cannot provide any assurances that any of our patents have, or that any of our pending patent applications that mature into issued patents will include, claims with a scope sufficient to protect and provide exclusivity for our products, any additional features we develop for our products or any new products. Other parties may have designed around our claims or developed technologies that may be related or competitive to our platform, may have filed or may file patent applications and may have received or may receive patents that overlap or conflict with our patent applications, either by claiming the same methods or devices or by claiming subject matter that could dominate our patent position. Any successful opposition to these patents or any other patents owned by or, if applicable in the future, licensed to us could deprive us of rights necessary for the practice of our technologies or the successful

commercialization of any products or product candidates that we may develop. Since patent applications in the US and most other countries are confidential for a period of time after filing, we cannot be certain that we or our licensors were the first to file any patent application related to our technologies, products, or product candidates. Furthermore, an interference proceeding can be provoked by a third party or instituted by the United States Patent and Trademark Office (the "USPTO") to determine who was the first to invent any of the subject matter covered by the patent claims of our applications for any application with an effective filing date before March 16, 2013.

The patent positions of medical device companies, including our patent position, may involve complex legal and factual questions, and, therefore, the scope, validity and enforceability of any patent claims that we may obtain cannot be predicted with certainty. Patents, if issued, may be challenged, deemed unenforceable, invalidated or circumvented. Once granted, patents may remain open to opposition, interference, re-examination, post-grant review, inter partes review, nullification or derivation action in court or before patent offices or similar proceedings for a given period after allowance or grant, during which time third parties can raise objections against such initial grant. Proceedings challenging our patents, which may continue for a protracted period of time, could result in either loss of the patent or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such proceedings may be costly. Thus, any patents that we may own may not provide any protection against competitors. Furthermore, an adverse decision in an interference proceeding can result in a third party receiving the patent right sought by us, which in turn could affect our ability to commercialize our products.

Furthermore, though an issued patent is presumed valid and enforceable, its issuance is not conclusive as to its validity or its enforceability and it may not provide us with adequate proprietary protection or competitive advantages against competitors with similar products. Competitors may also be able to design around our patents. Other parties may develop and obtain patent protection for alternative and possibly more effective technologies, designs or methods. We may be unable to prevent the unauthorized disclosure or use of our technical knowledge or trade secrets by consultants, suppliers, vendors, former employees and current employees. The laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the United States, and we may encounter significant problems in protecting our proprietary rights in these countries.

Our ability to enforce our patent rights depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components that are used in their products. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor's or potential competitor's product. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded if we were to prevail may not be commercially meaningful.

In addition, proceedings to enforce or defend our patents could put our patents at risk of being invalidated, held unenforceable or interpreted narrowly. Such proceedings could also provoke third parties to assert claims against us, including that some or all of the claims in one or more of our patents are invalid or otherwise unenforceable. If any of our patents covering our products are invalidated or found unenforceable, or if a court found that valid, enforceable patents held by third parties covered one or more of our products, our competitive position could be harmed or we could be required to incur significant expenses to enforce or defend our rights. If we initiate lawsuits to protect or enforce our patents, or litigate against third party claims, such proceedings would be expensive and would divert the attention of our management and technical personnel.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- any of our patents, or any of our pending patent applications, if issued, or those of our licensors, will include claims having a scope sufficient to protect our products;

- any of our pending patent applications or those of our licensors may issue as patents;

- others will not or may not be able to make, use, offer to sell, or sell products that are the same as or similar to our own but that are not covered by the claims of the patents that we own or license;
- we will be able to successfully commercialize our products on a substantial scale, if approved, before the relevant patents that we own or license expire;
- we were the first to make the inventions covered by each of the patents and pending patent applications that we own or license;
- we or our licensors were the first to file patent applications for these inventions;
- others will not develop similar or alternative technologies that do not infringe the patents we own or license;
- any of the patents we own or license will be found to ultimately be valid and enforceable;
- any patents issued to us or our licensors will provide a basis for an exclusive market for our commercially viable products or will provide us with any competitive advantages;
- a third party may not challenge the patents we own or license and, if challenged, a court would hold that such patents are valid, enforceable and infringed;
- we may develop or in-license additional proprietary technologies that are patentable;
- the patents of others will not have an adverse effect on our business;
- our competitors do not conduct research and development activities in countries where we do not have enforceable patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we will develop additional proprietary technologies or products that are separately patentable; or
- our commercial activities or products will not infringe upon the patents of others.

Where we obtain licenses from or collaborate with third parties, in some circumstances, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology that we license from third parties, or such activities, if controlled by us, may require the input of such third parties. We may also require the cooperation of our licensors and collaborators to enforce any licensed patent rights, and such cooperation may not be provided. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. Moreover, if we do obtain necessary licenses, we will likely have obligations under those licenses, and any failure to satisfy those obligations could give our licensor the right to terminate the license. Termination of a necessary license, or expiration of licensed patents or patent applications, could have a material adverse impact on our business.

Our inability to effectively protect our proprietary technologies could harm our competitive position.

Although our competitors have utilized and are expected to continue utilizing technologies similar to ours, our success will depend upon our ability to protect and continue to develop proprietary technologies and products and to defend any advantages afforded to us relative to our competitors. If we do not protect our intellectual property adequately, competitors may be able to use our technologies and thereby erode any competitive advantages we may have. For example, patents for our core technology began to expire in the United States in 2024. Although we are currently assessing the long-term value proposition in maintaining patents outside of

the United States,our patents outside of the United States are expected to remain in effect until between 2026 and 2038. We will be able to protect our proprietary rights from unauthorized use by third parties only to the extent that our proprietary technologies are covered by valid and enforceable patents or are effectively maintained as trade secrets. We have agreements with our employees and selected consultants that obligate them to assign their inventions to us. If the employees and consultants who are parties to these agreements breach or violate the terms of these agreements, including by refusing or being unavailable to sign assignments, oaths, declarations or other documents, we may not have adequate remedies for any such breach or violation, and we could lose our rights in inventions through such breaches or violations. Furthermore, it is possible that technology relevant to our business will be independently developed by a person that is not a party to such an agreement.

The lives of our patents may not be sufficient to effectively protect our products and business.

Patents have a limited lifespan. In the US, the natural expiration of a utility patent is generally 20 years after its first effective filing date. The natural expiration of a design patent is generally 14 years after the grant of the design patent for design patent applications filed before May 13, 2014, and the natural expiration of a design patent is generally 15 years after the grant of the design patent for design patent applications that are filed on or after May 13, 2015. Although various extensions may be available, the life of a patent, and the protection it affords, is limited. Even if patents covering our technologies, products, or product candidates are obtained, once the patent life has expired, we may be open to competition. Patents covering some of our core technology have expired or will expire within the next four years. In addition, although upon issuance in the United States a patent's life can be increased based on certain delays caused by the USPTO, this increase can be reduced or eliminated based on certain delays caused by the patent applicant during patent prosecution. If we do not have sufficient patent life to protect our technologies, products, and product candidates, our business and results of operations will be adversely affected.

Litigation or other proceedings or third-party claims of intellectual property infringement could require us to spend significant time and money and could prevent us from selling our products.

Our commercial success will depend in part on not infringing the patents or violating the other proprietary rights of others. We cannot assure you that our operations do not, or will not in the future, infringe existing or future patents. Our activities may be subject to claims that we infringe or otherwise violate patents owned or controlled by third parties.

Numerous U.S. and foreign patents and pending patent applications exist in our market that are owned by third parties. Our competitors in both the United States and abroad, many of which have substantially greater resources and have made substantial investments in patent portfolios and competing technologies, may have applied for or obtained or may in the future apply for and obtain, patents that will prevent, limit or otherwise interfere with our ability to make, use and sell our products. We do not always conduct independent reviews of pending patent applications of and patents issued to third parties. Patent applications in the United States and elsewhere are typically published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Certain U.S. applications that will not be filed outside the U.S. can remain confidential until patents issue. In addition, patent applications in the United States and elsewhere can be pending for many years before issuance, or unintentionally abandoned patents or applications can be revived. Furthermore, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our technologies, our products or the use of our products. As such, there may be applications of others now pending or recently revived patents of which we are unaware. These applications may later result in issued patents, or the revival of previously abandoned patents, that will prevent, limit or otherwise interfere with our ability to make, use or sell our products.

The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history and can involve other factors such as expert opinion. Our interpretation of the relevance or the scope of claims in a patent or a pending application may be incorrect, which may

negatively impact our ability to market our products. Further, we may incorrectly determine that our technologies, products, or product candidates are not covered by a third-party patent or may incorrectly predict whether a third party's pending patent application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our products or product candidates.

Significant litigation regarding patent rights occurs in our industry. Third parties may, in the future, assert claims that we are employing their proprietary technology without authorization, including claims from competitors or from non-practicing entities that have no relevant product revenue and against whom our own patent portfolio may have no deterrent effect. As we continue to commercialize our products in their current or updated forms, launch new products and enter new markets, we expect competitors may claim that one or more of our products infringe their intellectual property rights as part of business strategies designed to impede our successful commercialization and entry into new markets. The large number of patents, the rapid rate of new patent applications and issuances, the complexities of the technology involved, and the uncertainty of litigation may increase the risk of business resources and management's attention being diverted to patent litigation.

We may become party to future adversarial proceedings regarding our patent portfolio or the patents of third parties. Such proceedings could include supplemental examination or contested post-grant proceedings such as review, reexamination, interference or derivation proceedings before the USPTO and challenges in U.S. District Court. Patents may be subjected to opposition, post-grant review or comparable proceedings lodged in various foreign, both national and regional, patent offices. The legal threshold for initiating litigation or contested proceedings may be low, so that even lawsuits or proceedings with a low probability of success might be initiated. Litigation and contested proceedings can also be expensive and time-consuming, regardless of the merit of the claims, and our adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we can.

Any lawsuits resulting from such allegations could subject us to significant liability for damages and invalidate our proprietary rights. Any potential intellectual property litigation also could force us to do one or more of the following:

- stop making, selling or using products or technologies that allegedly infringe the asserted intellectual property;
- lose the opportunity to license our technology to others or to collect royalty payments based upon successful protection and assertion of our intellectual property rights against others;
- incur significant legal expenses;
- pay substantial damages or royalties to the party whose intellectual property rights we may be found to be infringing, including enhanced damages if we are found to have willfully infringed or misappropriated such rights;
- pay the attorney's fees and costs of litigation to the party whose intellectual property rights we may be found to be infringing;
- redesign those products that contain the allegedly infringing intellectual property, which could be costly, disruptive and infeasible; and
- attempt to obtain a license to the relevant intellectual property from third parties, which may not be available on reasonable terms or at all, or from third parties who may attempt to license rights that they do not have.

Any litigation or claim against us, even those without merit, may cause us to incur substantial costs, and could place a significant strain on our financial resources, divert the attention of management from our core business and harm our reputation. If we are found to infringe the intellectual property rights of third parties, we could be required to pay substantial damages (which may be increased up to three times of awarded damages) and substantial royalties and could be prevented from selling our products unless we obtain a license or are able to redesign our products to avoid infringement. Any such license may not be available on reasonable terms, if at all, and there can be no assurance that we would be able to redesign our products in a way that would not infringe the intellectual property rights of others. Even if such licenses are available, we could incur substantial costs related to royalty payments for licenses obtained from third parties, which could negatively affect our gross margins, and the rights may be non-exclusive, which could give our competitors access to the same technology or intellectual property rights licensed to us. We could encounter delays in product introductions while we attempt to develop alternative methods or products. If we fail to obtain any required licenses or make any necessary changes to our products or technologies, we may have to withdraw existing products from the market or may be unable to commercialize one or more of our products.

If we collaborate with third parties in the development of technology in the future, our collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to litigation or potential liability. Further, collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability. Also, we may be obligated under our agreements with our collaborators, licensors, suppliers and others to indemnify and hold them harmless for damages arising from intellectual property infringement by us.

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

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position could be harmed.

In addition to patent protection, we also rely upon copyright and trade secret protection, unpatented know-how and continuing technological innovation to develop and maintain our competitive position, which we seek to protect through non-disclosure agreements and invention assignment agreements with our employees, consultants and third parties, to protect our confidential and proprietary information. In addition to contractual measures, we employ commercially reasonable measures to protect the confidential nature of our proprietary information using commonly accepted physical and technological security measures. Such measures may not provide adequate protection for our proprietary information, for example, in the case of misappropriation of a trade secret by an employee, consultant, customer or third party with authorized access. Our security measures may not prevent an employee, consultant or customer from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Monitoring unauthorized uses and disclosures is difficult, and we do not know whether the steps we have taken to protect our proprietary technologies will be effective. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our products that we consider proprietary. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. Even though we use commonly accepted security measures, the criteria for protection of trade secrets can vary among different jurisdictions.

In addition, trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. Trade secrets will over time be disseminated within the industry through independent development, the publication of journal articles and the movement of personnel skilled in the art from

company to company or academic to industry scientific positions. Though our agreements with third parties typically restrict the ability of our advisors, employees, collaborators, licensors, suppliers, third-party contractors and consultants to publish data potentially relating to our trade secrets, our agreements may contain certain limited publication rights. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position. Because from time to time we expect to rely on third parties in the development, manufacture, and distribution of our products and provision of our services, we must, at times, share trade secrets with them. Despite employing the contractual and other security precautions described above, the need to share trade secrets increases the risk that such trade secrets become known by our competitors, are inadvertently incorporated into the technology of others, or are disclosed or used in violation of these agreements. If any of our confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, our business and competitive position could be harmed.

We may be unable to enforce our intellectual property rights throughout the world.

The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. These challenges can be caused by the absence or inconsistency of the application of rules and methods for the establishment and enforcement of intellectual property rights outside of the United States. In addition, the legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to healthcare. This could make it difficult for us to stop infringement of our foreign patents, or the misappropriation of our other intellectual property rights. For example, some foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries.

Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our technology and the enforcement of our intellectual property.

Further, the standards applied by the USPTO and foreign patent offices in granting patents are not always applied uniformly or predictably. As such, we do not know the degree of future protection that we will have on our technologies, products, and product candidates. While we will endeavor to try to protect our technologies, products, and product candidates with intellectual property rights such as patents, as appropriate, the process of obtaining patents is time-consuming, expensive and sometimes unpredictable.

Third parties may assert ownership or commercial rights to inventions we develop.

Third parties may in the future make claims challenging the inventorship or ownership of our intellectual property, including studies we commission or reports on the efficacy of our products. In addition, we may face claims by third parties that our agreements with employees, contractors or consultants obligating them to assign intellectual property to us are ineffective or in conflict with prior or competing contractual obligations of assignment, which could result in ownership disputes regarding intellectual property we have developed or will develop and interfere with our ability to capture the commercial value of such intellectual property. Litigation may be necessary to resolve an ownership dispute, and if we are not successful, we may be

precluded from using certain intellectual property or may lose our exclusive rights in that intellectual property. Either outcome could harm our business and competitive position.

Third parties may assert that our employees or consultants have wrongfully used or disclosed confidential information or misappropriated trade secrets.

We employ individuals who previously worked with other companies, including our competitors or potential competitors. Although we try to ensure that our employees and consultants do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or our employees, consultants or independent contractors have inadvertently or otherwise used or disclosed intellectual property, including trade secrets or other proprietary information, of a former employer or other third party. Litigation may be necessary to defend against these claims. If we fail in defending any such claims or settling those claims, in addition to paying monetary damages or a settlement payment, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

Our patent rights may be affected by developments or uncertainty in the patent statute, patent case law or USPTO rules and regulations. There are a number of recent changes to the patent laws that may have a significant impact on our ability to protect our technology and enforce our intellectual property rights. For example, the United States has enacted and is currently implementing the America Invents Act of 2011, a wide-ranging patent reform legislation. These changes include provisions that affect the way patent applications will be prosecuted and may also affect patent litigation. As an example, the first to file provisions, which became effective March 2013, mean that the party that is first to file in the United States generally is awarded the patent rights, regardless of who invented first. This could have a negative impact on some of our IP and could increase uncertainties surrounding obtaining and enforcement or defense of our issued patents. Further, the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain future patents, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents or future patents.

Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other provisions during the patent process. Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and applications will be due to be paid to the USPTO and various governmental patent agencies outside of the US in several stages over the lifetime of the patents and applications. We employ reputable professionals and rely on such third parties to help us comply with these requirements and effect payment of these fees with respect to the patents and patent applications that we own, and if we in-license intellectual property we may have to rely upon our licensors to comply with these requirements and effect payment of these fees with respect to any patents and patent applications that we license. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which noncompliance can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, competitors might be able to enter the market earlier than would otherwise have been the case.

If we fail to comply with our obligations under license or technology agreements with third parties, we may be required to pay damages and we could lose license rights that are critical to our business.

We license certain intellectual property, and in the future, we may enter into additional agreements that provide us with licenses to valuable intellectual property or technology. These licenses impose various payment obligations on us. If we fail to comply with any of these obligations, we may be required to pay damages and the licensor may have the right to terminate the license. Termination by the licensor could cause us to lose valuable rights, and could prevent us from distributing our products, or inhibit our ability to commercialize future products. Our business could suffer if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensors fail to enforce licensed patents against infringing third parties, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms.

Any collaboration arrangements that we may enter into in the future may not be successful, which could adversely affect our ability to develop and commercialize our products.

Any future collaborations that we enter into may not be successful. The success of our collaboration arrangements will depend heavily on the efforts and activities of our collaborators. Collaborations are subject to numerous risks, which may include that:

- collaborators have significant discretion in determining the efforts and resources that they will apply to collaborations;
- collaborators may not pursue development and commercialization of our products or may elect not to continue or renew development or commercialization programs based on trial or test results, changes in their strategic focus due to the acquisition of competitive products, availability of funding or other external factors, such as a business combination that diverts resources or creates competing priorities;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates;
- a collaborator with marketing, manufacturing and distribution rights to one or more products may not commit sufficient resources to or otherwise not perform satisfactorily in carrying out these activities;
- we could grant exclusive rights to our collaborators that would prevent us from collaborating with others;
- collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
- disputes may arise between us and a collaborator that causes the delay or termination of the research, development or commercialization of our current or future products or that results in costly litigation or arbitration that diverts management attention and resources;
- collaborations may be terminated, and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable current or future products;
- collaborators may own or co-own intellectual property covering our products that results from our collaborating with them, and in such cases, we would not have the exclusive right to develop or commercialize such intellectual property; and

- a collaborator's sales and marketing activities or other operations may not be in compliance with applicable laws resulting in civil or criminal proceedings.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our trademarks or trade names may be challenged, infringed, circumvented or declared generic or descriptive. Our trademarks or trade names may be determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. During trademark registration proceedings, we may receive rejections. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected. We may license our trademarks and trade names to third parties, such as distributors. Though these license agreements provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names.

Risks Related to Our Capital Structure

We may need to raise additional capital to fund our existing commercial operations, develop and commercialize new products and expand our operations.

If our available cash balances, potential future borrowing capacity, and anticipated cash flow from operations are insufficient to satisfy our liquidity requirements, including because of lower demand for our products and services as a result of the risks described in this Annual Report on Form 10-K, we may seek to sell common or preferred equity or debt securities, enter into an additional credit facility or another form of third-party funding or seek other debt financing. Our present and future funding requirements will depend on many other factors, including:

- our ability to achieve revenue growth and improve operating margins;
- our ability to comply with financial and other restrictive covenants in our credit facility, which, among other things, requires us to maintain specified financial covenants;
- our ability to improve or maintain coverage and reimbursement arrangements with domestic third-party and government payors;
- our rate of progress in establishing coverage and reimbursement arrangements from international commercial third-party and government payors;
- the cost of expanding our operations and offerings, including our sales and marketing efforts;
- our rate of progress in, and cost of the sales and marketing activities associated with, establishing adoption of our products and services and maintaining or improving our sales to our current customers;
- the cost of research and development activities, including research and development relating to additional indications;

- the effect of competing technological and market developments;
- costs related to international expansion; and
- the potential cost of and delays in product development as a result of any regulatory oversight applicable to our products and services.

We may also consider raising additional capital in the future to expand our business, to pursue strategic investments, to take advantage of financing opportunities or for other reasons, including to:

- expand our sales and marketing efforts to increase market adoption of our products and services and address competitive developments;
- fund new and existing Treatment Centers;
- fund development and marketing efforts of any future products or additional features to then-current products;
- acquire, license or invest in new technologies;
- provide for supply and inventory costs associated with plans to accommodate potential increases in demand for our products and services.
- acquire or invest in complementary businesses or assets; and
- finance capital expenditures and general and administrative expenses.

Additional capital may not be available to us at such times or in the amounts we need. Even if capital is available, it might be available only on unfavorable terms. Any issuance of additional equity or equity-linked securities could be dilutive to our existing stockholders, and any new equity securities could have rights, preferences and privileges superior to those of holders of our common stock, including the shares of common stock sold in this offering. Debt financing, if available, may involve covenants further restricting our operations or our ability to incur additional debt, pay dividends, repurchase our stock, make investments and engage in merger, consolidation or asset sale transactions. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish or license some rights to our technologies or products, on terms that are not favorable to us. If access to sufficient capital is not available as and when needed, our business will be materially impaired and we may be required to cease operations, curtail one or more product development or commercialization programs, significantly reduce expenses, sell assets, seek a merger or joint venture partner, file for protection from creditors or liquidate all our assets.

The terms of our credit facility place restrictions on our operating and financial flexibility and could subject us to potential default. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.

On July 25, 2024, the Company entered into a Credit Agreement and Guaranty with Perceptive Credit Holdings IV, LP (“Perceptive”) as collateral agent and other lenders defined in the agreement (the “Perceptive Facility”) that replaced the Company’s previous $60.0 million credit facility with SLR Investment Corp. (formerly known as Solar Capital Ltd.) (“Solar”, and such facility, the “Solar Facility”). The credit facility contains customary covenants and events of default applicable to us. The affirmative covenants include, among others, a minimum net revenue covenant that escalates over the term of the Perceptive Facility and a minimum liquidity covenant (“net product revenue covenant”). The negative covenants include, among others, restrictions on us transferring collateral, changing businesses, engaging in mergers or acquisitions, incurring additional indebtedness and encumbering collateral. If we default under the credit facility, Perceptive may

accelerate all of our repayment obligations and take control of our pledged assets, potentially requiring us to renegotiate our agreement on terms less favorable to us or to immediately cease operations. Further, if we are liquidated, Perceptive's right to repayment would be senior to the rights of the holders of our common stock to receive any proceeds from the liquidation. Perceptive could declare a default upon the occurrence of any event that it interprets as a material adverse effect as defined under the Perceptive facility, thereby requiring us to repay the loan immediately or to attempt to reverse the declaration of default through negotiation or litigation. Any declaration by Perceptive of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline. If we raise any additional debt financing, the terms of such additional debt could further restrict our operating and financial flexibility.

In certain months of 2023 and 2021, we did not achieve the required revenue under the net product revenue covenants under our prior Solar Facility. In 2025, Perceptive agreed to amend the Perceptive Facility to lower the minimum liquidity balance requirement to $2,000,000 through September 30, 2026 under that certain Amendment No. 3 to Credit Agreement and Guaranty dated August 1, 2025. Although Perceptive has agreed to modify certain financial covenants and waive certain financial reporting requirements pursuant to the Amendment No. 5 to Credit Agreement and Guaranty dated March 12, 2026, we cannot provide any assurance that our lender would provide us with a waiver should we not be in compliance in the future. A failure to maintain compliance along with our lender not agreeing to a waiver for the non-compliance would cause the outstanding borrowings to be in default and payable on demand which would have a material adverse effect on us and our ability to continue as a going concern.

Our ability to comply with financial covenant tests can be affected by events beyond our control, including economic, financial and industry conditions. If market or other economic conditions deteriorate, our ability to comply with these covenants may be impaired. We cannot be certain that our earnings will be sufficient to allow us to pay the principal and interest on our existing or future debt and meet our other obligations. If we do not have enough money to service our existing or future debt, we may be required to refinance all or part of our existing or future debt, sell assets, borrow more money or raise equity. We may not be able to refinance our existing or future debt, sell assets, borrow more money or raise equity on terms acceptable to us, if at all.

Our ability to use net operating losses to offset future taxable income may be subject to limitations.

As of December 31, 2025, we had federal and state net operating loss carryforwards of $456.0 million and $377.1 million, respectively. Federal and state net operating losses generated prior to 2018 will begin to expire, if not utilized, beginning in 2026. These net operating loss carryforwards could expire unused and be unavailable to offset future income tax liabilities. Federal and certain states net operating losses incurred in 2018 and after, may be carried forward indefinitely, but the deductibility of such federal net operating losses is limited to 80% of the taxable income for federal and conforming states income tax purposes and may be further limited in certain other states. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an "ownership change," which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. We have not done an analysis to determine whether or not ownership changes have occurred since inception and we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. If an ownership change occurs and our ability to use our net operating loss carryforwards is materially limited, it would harm our future operating results by effectively increasing our future tax obligations.

Risks Related to Ownership of Our Common Stock

The price of our common stock has been and may continue to be volatile.

The trading price of our common stock may be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. Factors that could cause volatility in the market price of our common stock include, but are not limited to:

- the actual or anticipated fluctuations in our financial condition and operating results;
- the actual or anticipated changes in our growth rate;
- the commercial success and market acceptance of our products and services;
- the success of our competitors in developing or commercializing products;
- media exposure of our products and services or of those of others in our industry;
- our ability to commercialize or obtain regulatory approvals for our products and services, or delays in commercializing or obtaining regulatory approvals;
- announcements by us or our competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- the addition or departure of key personnel;
- product liability claims;
- general prevailing economic, industry and market conditions, including factors unrelated to our operating performance or the operating performance of our competitors;
- business disruptions caused by earthquakes, fires, pandemic diseases (such as from coronavirus), or other natural disasters;
- disputes or other developments concerning our intellectual property or other proprietary rights, including litigation;
- the FDA or other U.S. or foreign regulatory actions affecting us or the healthcare or medical device industry;
- healthcare reform measures in the United States;
- third-party payor developments in the United States and other countries;
- sales of our common stock by our directors, officers, or stockholders;
- the timing and amount of our investments in the growth of our business;
- inability to obtain additional funding;
- future sales or issuances of equity or debt securities by us;

- failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public; and

- the issuance of new or changed securities analysts' reports or recommendations regarding us.

In addition, the stock markets in general, and the markets for companies like ours in particular, have from time to time experienced extreme volatility that has been often unrelated to the operating performance of the company. These broad market and industry fluctuations may negatively impact the price or liquidity of our common stock, regardless of our operating performance.

Moreover, because of these fluctuations, comparing our operating results on a period-to-period basis may not be meaningful. You should not rely on our past results as an indication of our future performance. This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenues or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if the forecasts we provide to the market are below the expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated revenues or earnings forecasts that we may provide.

Future sales of our common stock or securities convertible or exchangeable for our common stock may cause our stock price to decline.

If our stockholders or option holders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market, the price of our common stock could decline. The perception in the market that these sales may occur could also cause the price of our common stock to decline.

On February 10, 2025, the Company issued and sold 9,200,000 shares of its common stock at a price to the public of $2.25 per share which represented a significant discount to the closing price of our common stock on February 7, 2025.

On July 3, 2025, the Company entered into the Distribution Agreement, pursuant to which the Company may offer and sell shares of its common stock having an aggregate offering price of up to $50.0 million from time to time through the ATM Program. Sales under the Distribution Agreement, will be made pursuant to the Company's Registration Statement on Form S-3 (File No. 333-288526), and a related prospectus and prospectus supplement.

Shares of common stock that are either subject to outstanding options, or are outstanding but subject to vesting or reserved for future issuance under our 2018 Equity Incentive Plan (the "2018 Plan"), will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, Rule 144 and Rule 701 under the Securities Act. We have also filed a registration statement permitting certain shares of common stock issued under our 2003 Stock Incentive Plan ("2003 Plan"), and shares of common stock issued pursuant to the 2018 Plan or our 2018 Employee Stock Purchase Plan (the "2018 ESPP"), to be freely resold by plan participants in the public market, subject to applicable vesting schedules and, for shares held by directors, executive officers and other affiliates, volume limitations under Rule 144 under the Securities Act. Both the 2018 Plan and the 2018 ESPP contain provisions for the annual increase of the number of shares reserved for issuance under such plans, which shares we also intend to register. If the shares we may issue from time to time under the 2003 Plan, the 2018 Plan or the 2018 ESPP are sold, or if it is perceived that they will be sold, by the award recipients in the public market, the price of our common stock could decline.

Certain shares of common stock are entitled to rights with respect to registration under the Securities Act. Such registration would result in these shares becoming fully tradable without restriction under the Securities Act when the applicable registration statement is declared effective. Sales of such shares could cause the price of our common stock to decline.

There is a concentration of ownership of our common stock by Madryn, and Madryn may exert substantial influence over the Company's business, and the interest of Madryn may conflict with those interests of other stockholders.

Madryn and its affiliates own approximately 30% of our outstanding common stock. Madryn has the right to appoint, and has appointed, two directors to the board. Based on Madryn's representation on the board and ownership position, Madryn is able to exert substantial influence over the Company's business. Additionally, the interests of Madryn may be different from or conflict with the interests of the other stockholders. This concentration of voting power with Madryn could delay, defer, or prevent a change of control, entrench management and the board, or delay or prevent a merger, consolidation, takeover, or other business combination involving the Company on terms that other stockholders may desire. In addition, conflicts of interest could arise in the future between the Company, on the one hand, and Madryn, on the other hand, concerning potential competitive business activities, business opportunities, the issuance of additional securities and other matters.

As previously disclosed, Madryn and the Company are parties to that certain Registration Rights Agreement dated August 11, 2024, as amended, under which Madryn could exercise its rights to request the filing of a registration statement. On March 9, 2026, Madryn notified the Company that it would exercise its right to request filing of a registration statement. This registration statement will facilitate Madryn's ability to sell the Company common stock that it owns. Sales of a substantial number of shares of our common stock in the public market, or the perception that such sales could occur, could adversely affect the market price of our common stock. We cannot predict whether future sales of shares of our common stock, or the availability of shares for resale in the open market, will decrease the market price of our common stock.

Provisions of our amended and restated charter documents or Delaware law could delay or prevent an acquisition of the company, even if the acquisition would be beneficial to our stockholders, which could make it more difficult for you to change management.

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which stockholders might otherwise receive a premium for their shares. In addition, these provisions may frustrate or prevent any attempt by our stockholders to replace or remove our current management by making it more difficult to replace or remove our board of directors. These provisions include:

- a prohibition on stockholder action through written consent;
- no cumulative voting in the election of directors;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director;
- a requirement that special meetings of stockholders be called only by the board of directors, the chairman of the board of directors, the chief executive officer or, in the absence of a chief executive officer, the president;
- an advance notice requirement for stockholder proposals and nominations;
- the authority of our board of directors to issue blank-check preferred stock with such terms as our board of directors may determine; and

- a requirement of approval of not less than 66 2/3% of all outstanding shares of our capital stock entitled to vote to amend any bylaws by stockholder action, or to amend specific provisions of our amended and restated certificate of incorporation.

In addition, Delaware law prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder, generally a person who, together with its affiliates, owns, or within the last three years has owned, 15% or more of our voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. Accordingly, Delaware law may discourage, delay or prevent a change in control of our company.

Provisions in our charter documents and other provisions of Delaware law could limit the price that investors are willing to pay in the future for shares of our common stock.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America will be the exclusive forums for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware is the exclusive forum for (i) any derivative action or proceeding brought on our behalf, other than an action or suit to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction, (ii) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or our amended and restated certificate of incorporation or amended and restated bylaws, (iv) any action to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or amended and restated bylaws or (v) any action asserting a claim governed by the internal affairs doctrine. Our amended and restated certificate of incorporation further provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Some companies that adopted a similar federal district court forum selection provision are currently subject to a suit in the Chancery Court of Delaware by stockholders who assert that the provision is not enforceable. If a court were to find either choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business.

We do not anticipate paying any cash dividends on our common stock in the foreseeable future; therefore, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

We have never declared or paid any cash dividends on our common stock and do not intend to do so in the foreseeable future. We currently intend to retain all available funds and any future earnings to finance the growth and development of our business. In addition, the terms of our credit agreements contain, and the terms of any future credit agreements we may enter into may contain, terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

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

The trading market for our common stock depends, to some extent, on the research and reports that securities or industry analysts publish about us and our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our common stock or change their opinion of our common stock, our stock price would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our stock price or trading volume to decline.

General Risk Factors

As a U.S.-public company, we may be subject to securities litigation, which is expensive and could divert our management's attention.

In the past, public companies that have experienced volatility in the market price of their securities or companies that have completed an acquisition have been subject to various demands, lawsuits, claims and loss contingencies arising in the ordinary course of business by their stockholders. We may be the target of this type of activity in the future. For example, we have in the past received, and may in the future receive, demands for books and records pursuant to Section 220 of the Delaware General Corporation Law. Regardless of the merits or any such claims, various demands, lawsuits, claims and loss contingencies arising in the ordinary course of business could result in substantial costs and divert our management's attention from other business concerns.

While we currently qualify as a smaller reporting company ("SRC") under SEC regulations, we cannot be certain whether taking advantage of the reduced disclosure requirements applicable to these companies will not make our common stock less attractive to investors. Once we lose SRC status, the costs and demands placed upon our management are expected to increase.

The SEC's rules permit SRCs to take advantage of certain exemptions from various reporting requirements applicable to other public companies. As long as we qualify as a SRC based on our public float in a fiscal year we are permitted, and we intend to, omit the auditor's attestation on internal control over financial reporting that would otherwise be required by the Sarbanes-Oxley Act.

We may lose our status as a non-accelerated filer and in a future fiscal year be required to, among other things, provide an auditor's attestation of management's assessment of internal control over financial reporting required by Section 404(b) of the Sarbanes-Oxley Act of 2002. A change in status, or anticipated change in status, may make our common stock less attractive to investors and the costs and demands placed upon management to assist with the attestation report may increase.

We are obligated to develop and maintain proper and effective internal controls over financial reporting and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and the value of our common stock.

As a public company, we are required under the Sarbanes-Oxley Act to maintain effective disclosure controls and procedures and internal control over financial reporting. We have developed disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and regulations, and that information required to be disclosed in reports under the Exchange Act, is communicated to our principal executive and financial officers. Our current controls and any new controls that we develop may become inadequate and weaknesses in our internal control over financial reporting may be discovered in the future. We believe that any disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of

the control system are met. These inherent limitations reflect the reality that judgments can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

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

Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting due to our status as a SRC.

Pursuant to the Exchange Act Continuous Disclosure Accommodations, the auditor attestation requirement of Section 404(b) of the Sarbanes Oxley Act of 2002 is not required by SRCs, with public common equity float between $75 million and $700 million and annual revenues of less than $100 million.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Risk Management and Strategy

We regularly assess risks from cybersecurity threats; monitor our information systems for potential vulnerabilities; and test those systems pursuant to our cybersecurity policies, processes, and practices, which are integrated into our overall risk management program. To protect our information systems from cybersecurity threats, we use various industry standard security tools that are designed to help identify, escalate, investigate, resolve, and recover from security incidents in a timely manner. Given the prevalence of social engineering attacks, we have implemented a two-pronged approach of training and security mitigations: educating users about how to detect a potential attack (phishing, malware, etc.) and security tools, which can decrease the likelihood of occurrence through multi-factor authentication, endpoint detection and response and other tools focused on locking down cyber threats. A team of industry experts comprised of representatives from our Information Technology department and support functions, along with outside experts assesses risks based on probability and potential impact to key business systems and processes. Risks that are considered high are incorporated into our overall risk management program. A mitigation plan is developed for each identified high risk, with progress reported to the Executive Leadership Team and Audit Committee and tracked as part of our overall risk management program overseen by the Audit Committee of our board of directors. These mitigations target implementing automated tools for detection and prevention wherever possible, supplemented by training and process controls as needed. Recurring maintenance, reporting and awareness tasks are conducted and documented within our Service Management Software and Security tools for record keeping and trending.

We collaborate with third parties to assess the effectiveness of our cybersecurity prevention and response systems and processes through various penetration testing and best practice reviews. These include cybersecurity assessors, consultants, and other external cybersecurity experts to assist in the identification, verification, and validation of cybersecurity risks, as well as to support associated mitigation plans when necessary. We are aware that cybersecurity is a continually changing landscape and as a result, the engagement with these experts helps us evaluate our risk-based processes with respect to the trends.

Cybersecurity threats, including those resulting from any previous cybersecurity incidents, have not materially affected our Company, including our business strategy, results of operations, or financial condition. We do not believe that cybersecurity threats resulting from any previous cybersecurity incidents of which we are aware are reasonably likely to materially affect our Company. Refer to the risk factor captioned “Security and privacy breaches may expose us to liability and harm our reputation and business ” in Part I, Item 1A. “Risk Factors” for additional description of cybersecurity risks and potential related impacts on our Company.

Governance

Our board of directors oversees our risk management process, including as it pertains to cybersecurity risks, directly and through its committees. The Audit Committee of the board oversees our risk management program, which focuses on the most significant risks we face in the short-, intermediate-, and long-term timeframe. Audit Committee meetings include discussions of emerging industry-wide trends in cybersecurity risks along with specific risk areas our company has greater risks throughout the year, including, among others, those relating to cybersecurity threats. These reports come from the Company’s Chief Information and Operations Officer (the “Head of IT”) to include our enterprise risk profile on a quarterly basis. The Audit Committee reviews our cybersecurity risk profile with management on a periodic basis using key performance or risk indicators. These key performance indicators are industry-standard metrics and measurements designed to assess the effectiveness of our cybersecurity program in the prevention, detection, mitigation, and remediation of cybersecurity incidents.

We take a risk-based approach to cybersecurity and have implemented cybersecurity policies throughout our operations that are designed to address cybersecurity threats and incidents. The Company’s Head of IT is responsible for the establishment and maintenance of our cybersecurity program, as well as the assessment and management of cybersecurity risks. The current Head of IT has over 20 years of experience in information security and possesses the requisite education, skills and experience expected of an individual assigned to these duties. In addition to individual skills, the Head of IT has partnered with several third-party Cybersecurity experts to identify new areas of risk and the latest trends in security tools and methods.

Item 2. Properties.

As of December 31, 2025 we occupied approximately 42,500 square foot facility in Malvern, Pennsylvania. During the year ended December 31, 2025 the Company executed a lease modification for this facility, extending the lease term through June 2033 for only 32,000 square feet of the premises, for our corporate headquarters, which includes office and warehouse space. We also occupy an approximately 9,600 square foot facility in Charlotte, North Carolina, under a lease that ends in 2027, which is being used as a training facility for our NeuroStar Advanced Therapy Systems. We have an option to extend the lease for an additional one-year term. We believe that our existing facilities are adequate to meet our needs for the foreseeable future.

Our administrative office for Greenbrook is located at 890 Yonge Street, 7th Floor, Toronto, Ontario, Canada, M4W 3P4 and at 8401 Greensboro Drive, Suite 425, Tysons Corner, Virginia, United States, 22102. We have designated TMS NeuroHealth Centers Inc. as our agent for service of process in the United States and its address is 8401 Greensboro Drive, Suite 425, Tysons Corner, Virginia, USA, 22102.

For our Greenbrook locations, we do not own any real estate. Instead, we lease all of our retail Treatment Center locations. Our existing Treatment Centers are leased from third parties, with typical lease commitments ranging from “month-to-month” to seven years. The entirety of the Company’s revenue is generated through treatment delivered at the Treatment Centers.

As of December 31, 2025, our Treatment Center network consisted of 93 Treatment Center locations spanning 17 management regions in the States of Alaska, California, Connecticut, Florida, Illinois, Maryland, Massachusetts, Michigan, Missouri, North Carolina, Ohio, Oregon, South Carolina, Texas and Virginia.

Item 3. Legal Proceedings.

The Company is subject from time to time to various claims and legal actions arising during the ordinary course of its business. Management believes that there are currently no claims or legal actions that would reasonably be expected to have a material adverse effect on the Company’s results of operations, financial condition, or cash flows.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock has been publicly traded on the Nasdaq Global Market under the symbol "STIM" since June 28, 2018. Prior to that time, there was no public market for our common stock. The shares of our common stock sold in our initial public offering ("IPO") on June 27, 2018 were priced at $17.00 per share. The shares of our common stock sold in our secondary public offering and sale of our common stock on February 2, 2021 were priced at $15.50 per share. Shares sold under the ATM Program during 2025 were sold at an average price of $3.68 per share.

Holders of Record

As of March 10, 2026, there were approximately 57 holders of record of our common stock, solely based upon the count our transfer agent provided to us as of that date.

Sales of Unregistered Securities

None except as disclosed on Form 8-K.

Equity Compensation Plans

The following table details information regarding our existing equity compensation plans as of December 31, 2025:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (in thousands) (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities reflected in Column (a) (in thousands) (c)
Equity compensation plans approved by security holders	1,099	$ 2.89	5,595
Equity compensation plans not approved by security holders	—	—	(1) 900
Total	1,099	$ 2.89	6,495

(1) This number includes 277.4 thousand shares available for issuance under the 2020 Inducement Incentive Plan as of December 31, 2025.

See "Item 15. Exhibits, Consolidated Financial Statement Schedules — Notes to Financial Statements — Note 15. Stockholders' Equity, Note 17. Share-Based Compensation and Note 18. Employee Benefit Plans" for additional information on compensation plans under which equity securities of the registrant are authorized for issuance without the approval of stockholders.

Issuer Purchases of Equity Securities

None

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and related notes thereto and other financial information included elsewhere in this Annual Report on Form 10-K. In addition to historical financial information, some of the information contained in the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. You should review the Risk Factors section of this Annual Report on Form 10-K for a discussion of important factors that could cause our actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We believe that mental health is as important as physical health. As a global leader in neuroscience, we are delivering more treatment options to patients and healthcare providers by offering exceptional in-office treatments that produce extraordinary results. Our first commercial product, the NeuroStar Advanced Therapy System, is a non-invasive and non-systemic office-based treatment that uses TMS to create a pulsed, MRI-strength magnetic field that induces electrical currents designed to stimulate specific areas of the brain associated with mood. The system is cleared by the FDA to treat adult patients with MDD that have failed to achieve satisfactory improvement from prior antidepressant medication in the current MDD episode. It is also cleared by the FDA as an adjunct for adults with OCD and for adolescent patients aged 15-21 with MDD. It is also cleared by the FDA to decrease anxiety symptoms in adult patients with MDD that may exhibit comorbid anxiety symptoms (anxious depression). In addition to selling the NeuroStar Advanced Therapy System and associated treatment sessions to customers, we operate Greenbrook Treatment Centers across the U.S., offering NeuroStar Advanced Therapy. Greenbrook, a leading provider of mental healthcare services, is a wholly owned subsidiary of the Company. The NeuroStar Advanced Therapy System is safe, clinically effective, reproducible and precise and we believe is supported by the largest clinical data set of any competing TMS system. We believe we are the market leader in TMS therapy based on the estimated 237,574 global patients treated with over 8.5 million of our treatment sessions through December 31, 2025. We generated revenues of $149.2 million and $74.9 million for the years ended December 31, 2025 and 2024, respectively.

Effective as of December 9, 2024, Neuronetics and Greenbrook completed the Arrangement. Each Greenbrook Share outstanding immediately prior to the effective time of the Arrangement was exchanged for Neuronetics Shares at the Exchange Ratio upon closing of the Arrangement. We continue to operate as Neuronetics, Inc., and the Neuronetics Shares continue to trade on the NASDAQ Global Market under the ticker "STIM".

We designed the NeuroStar Advanced Therapy System as a non-invasive therapeutic alternative to treat patients who suffer from MDD and to address many of the key limitations of existing treatment options. Additionally through our acquisition of Greenbrook, we now derive revenue directly from our Treatment Centers, by providing TMS therapy and SPRAVATO for MDD and other mental health disorders. We derive the majority of our revenues from clinic revenue and treatment sessions.

We currently operate under in two segments: Medicial device and Clinic services. We generate revenues from clinic operations, initial capital sales of our systems, sales of our recurring treatment sessions and from service and repair and extended warranty contracts.

For the year ended December 31, 2025 revenues from sales of our clinic revenue, treatment sessions and NeuroStar Advanced Therapy Systems represented 59%, 30% and 10% of our U.S. revenues, respectively. For the year ended December 31, 2024, revenues from sales of our clinic, treatment sessions and NeuroStar Advanced Therapy Systems represented 6%, 70% and 21% of our U.S. revenues, respectively.

Clinic revenue consists of revenue attributable to the performance of treatments to patients in 15 states in the U.S. In circumstances where the net patient fees have not yet been received, the amount of revenue recognized is estimated based on an expected value approach. Due to the nature of the industry and complexity of our clinic revenue arrangements, where price lists are subject to the discretion of payors, variable consideration exists that may result in price concessions and constraints to the transaction price for the services rendered.

Clinic revenue reimbursements are derived from third-party payors including federal and state agencies (under the Medicare programs), managed care health plans and commercial insurance companies.

We currently sell our NeuroStar Advanced Therapy System and recurring treatment sessions in the U.S. through our sales and customer support team. Our sales force targets an estimated 53,000 psychiatrists across 26,000 practices. We expect to continue to expand our direct sales and customer support team to further penetrate the market by demonstrating the benefits of our NeuroStar Advanced Therapy System to providers and their MDD patients. Some of our customers have purchased or may purchase more than one NeuroStar Advanced Therapy System. Based on our commercial data, we believe providers can recoup their initial capital investment in our system by providing a standard course of treatment to approximately 12 patients. We believe psychiatrists can generate approximately $9,000 of average revenue per patient for a standard course of treatment, which may provide meaningful incremental income to their practices. We have a diverse customer base in the U.S. Patients are reimbursed by federal healthcare programs and the vast majority of commercial payors in the U.S. for treatment sessions utilizing our NeuroStar Advanced Therapy System. For the years ended December 31, 2024 and 2023, one customer Greenbrook, accounted for 12% and 15%, respectively, of the Company’s revenue. Following the acquisition of Greenbrook, there are no significant customers.

We market our products in a few select markets outside the United States through independent distributors. International revenues represented 2% and 3% of our total revenues for the years ended December 31, 2025 and 2024, respectively. In October 2017, we entered into an exclusive distribution agreement, for the distribution of our NeuroStar Advanced Therapy Systems and treatment sessions to customers who will treat patients with MDD in Japan. We received regulatory approval for our system in Japan in September 2017. We obtained reimbursement coverage for NeuroStar Advanced Therapy System in Japan, which went into effect on June 1, 2019 and covers patients who are treated in the largest inpatient and outpatient psychiatric facilities in Japan. We expect our international revenues to decrease as a percentage of our total revenue.

Our research and development efforts are focused on hardware and software product developments and enhancements of our NeuroStar Advanced Therapy System and clinical development relating to additional indications. We outsource the manufacture of components of our NeuroStar Advanced Therapy Systems that are produced to our specifications, and individual components are either shipped directly from our third-party contract manufacturers to our customers or consolidated into pallets at our Malvern, Pennsylvania facility prior to shipment. Final installation of these systems occurs at the customer site.

Our total revenues increased by $74.3 million, or 99%, from $74.9 million for the year ended December 31, 2024 to $149.2 million for the year ended December 31, 2025, due to the inclusion of revenues from our Greenbrook acquisition. For the year ended December 31, 2025, our U.S. revenues were $146.0 million,

compared to $72.5 million for the year ended December 31, 2024, which represented an increase of 101% year over year. As of December 31, 2025, we had an accumulated deficit of $458.8 million.

Components of Our Results of Operations

Revenues

We have generated revenues primarily from the sale of our NeuroStar Advanced Therapy Systems and related sales and rentals of the NeuroStar Advanced Therapy System, clinic revenue and the recurring revenues from our sale of treatment sessions in the U.S.

Clinic Revenues. Clinic revenue, consisting of TMS services, SPRAVATO® sales and other mental wellness services is determined based on net patient fees, which includes estimates for contractual allowances and discounts. Net patient fees are estimated using an expected value approach where management considers such variables as the average of previous net patient fees received by the applicable payor and fees received by other patients for similar services and the Company's best estimate leveraging industry knowledge and expectations of third-party payors' fee schedules. We expect clinic revenue to increase in 2026.

NeuroStar Advanced Therapy System Revenues. NeuroStar Advanced Therapy System revenues consist primarily of sales or rentals of a capital component, including equipment upgrades to the initial sale of the NeuroStar Advanced Therapy System. NeuroStar Advanced Therapy Systems can be purchased outright or on a rent-to-own basis by certain customers.

Treatment Session Revenues. Treatment session revenues primarily include sales of treatment sessions and SenStar treatment links. The treatment sessions are access codes that are delivered electronically in the U.S. The SenStar treatment links are disposable units containing single-use access codes that are sold and used outside the U.S. Access codes are purchased separately by our customers, primarily on an as-needed basis, and are required by the NeuroStar Advanced Therapy System in order to deliver treatment sessions.

Other Revenues. Other revenues are derived primarily from service and repair, research collaboration agreements and extended warranty contracts with our existing customers.

We refer you to the section titled "Critical Accounting Policies and Use of Estimates—Revenue Recognition" appearing elsewhere in this Annual Report on Form 10-K for additional information regarding how we account for revenues.

Sales in the United States represented 98% of our total revenues for the year ended December 31, 2025 and 97% for the year ended December 31, 2024, and have been generated by our direct sales force. Outside the United States, our sales are made through local third-party distributors. International revenues were 2% for the years ended December 31, 2025 and 3% for the year ended December 31, 2024. We expect our United States revenue will increase in the near term as we continue to expand active customer sites utilizing our NeuroStar Advanced Therapy Systems and increase the related patient utilization in the United States. We expect our revenues to be positively impacted to the extent our direct sales force is successful in increasing the rate of adoption and utilization of treatment with TMS Therapy as an alternative to other MDD treatments.

Cost of Revenues and Gross Margin

Cost of revenues primarily consists of the costs of components and products purchased from our third-party contract manufacturers of our NeuroStar Advanced Therapy Systems as well as the cost of treatment packs for individual treatment sessions. We use third-party contract manufacturing partners to produce the components for and assemble the completed NeuroStar Advanced Therapy Systems. Cost of revenues also includes costs related to personnel, royalties, warranty, shipping, amortization of capitalized software and our operations and field service departments. Our treatment center costs include direct center and patient care

costs, regional employee compensation and depreciation. We expect our cost of revenues to increase mainly for treatment centers, as our product mix changes.

Our gross profit is calculated by subtracting our cost of revenues from our revenues. We calculate our gross margin as our gross profit divided by our revenues. Our gross margin has been and will continue to be affected by a variety of factors, primarily product sales mix, pricing and third-party contract manufacturing costs. Our gross margins on revenues from sales of NeuroStar Advanced Therapy Systems and clinic revenue are lower than our gross margins on revenues from sales of treatment sessions and, as a result, the sales mix between NeuroStar Advanced Therapy Systems, clinic revenues and treatment sessions can affect the gross margin in any reporting period.

Sales and Marketing Expenses

Sales and marketing expenses consist of market research and commercial activities related to the sale of our NeuroStar Advanced Therapy Systems and treatment sessions and personnel costs including salaries and related benefits, sales commissions and share-based compensation for employees focused on these efforts. Other significant sales and marketing costs include conferences and trade shows, promotional and marketing activities, including direct and online marketing, practice support programs, primarily digital media campaigns, travel and training expenses.

We anticipate that our sales and marketing expenses will decrease in 2026 relative to 2025 as a result of the cost efficiencies realized post-acquisition across the sales and marketing divisions.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel expenses, including salaries and related benefits, share-based compensation and travel expenses, for employees in executive, finance, information technology, legal and human resource functions. General and administrative expenses also include the cost of insurance, outside legal fees, accounting and other consulting services, audit fees from our independent registered public accounting firm, board of directors' fees and other administrative costs, such as corporate facility costs, including rent, utilities, depreciation and maintenance not otherwise included in cost of revenues.

We anticipate that our general and administrative expenses will increase in 2026 from 2025 due to an increase in the overall size of the general and administrative function within the consolidated company and investments needed to streamline systems and leverage automation.

Research and Development Expenses

Research and development expenses consist primarily of personnel expenses, including salaries and related benefits and share-based compensation for employees in clinical development, product development, regulatory and quality assurance functions, as well as expenses associated with outsourced professional scientific development services and costs of investigative sites and consultants that conduct our preclinical and clinical development programs. We typically use our employee, consultant and infrastructure resources across our research and development programs.

We expect our research and development expenses to remain consistent during 2026 compared to 2025 expenses.

Interest Expense

Interest expense consists of cash interest payable under our credit facility and the amortization of deferred financing costs related to our indebtedness.

Loss on extinguishment of debt

Loss on debt extinguishment consists of prepayment penalties and impairment of deferred financing costs associated with the extinguishment of debt, as well as fees incurred with third parties in connection with debt extinguishment.

Other Income, Net

Other income, net consists primarily of interest income earned on our money market account balances and notes receivable.

Results of Operations

Comparison of the Years ended December 31, 2025 and 2024

	Years ended December 31,		Increase / (Decrease)	
	2025	2024	Dollars	Percentage
	(in thousands, except percentages)			
Revenues	$ 149,157	$ 74,890	$ 74,267	99 %
Cost of revenues	76,849	20,729	56,120	271 %
Gross Profit	72,308	54,161	18,147	34 %
Gross Margin	*48.5 %*	*72.3 %*		
Operating expenses:				
Sales and marketing	47,458	45,631	1,827	4 %
General and administrative	49,702	30,322	19,380	64 %
Research and development	6,584	12,771	(6,187)	(48)%
Total operating expenses	103,744	88,724	15,020	17 %
Loss from Operations	(31,436)	(34,563)	3,127	9 %
Other (income) expense:				
Interest expense	8,415	7,286	1,129	15 %
Loss on extinguishment of debt	—	4,427	(4,427)	(100)%
Other income, net	(716)	(2,549)	1,833	72 %
Net Loss	$ (39,135)	$ (43,727)	$ 4,592	11 %

	Revenues by Geography Years ended December 31,			
	2025		2024	
	Amount	% of Revenues	Amount	% of Revenues
	(in thousands, except percentages)			
United States	$ 146,048	98 %	$ 72,488	97 %
International	3,109	2 %	2,402	3 %
Total revenues	$ 149,157	100 %	$ 74,890	100 %

	U.S. Revenues by Product Category Years ended December 31,			
	2025		2024	
	Amount	% of Revenues	Amount	% of Revenues
	(in thousands, except percentages)			
NeuroStar Advanced Therapy System	$ 14,259	10 %	$ 15,267	21 %
Treatment sessions	43,319	30 %	50,832	70 %
Clinic revenue	86,977	59 %	4,445	6 %
Other	1,493	1 %	1,944	3 %
Total U.S. revenues	$ 146,048	100 %	$ 72,488	100 %

Revenues

Total revenues increased by $74.3 million, or 99%, from $74.9 million for the year ended December 31, 2024, to $149.2 million for the year ended December 31, 2025. For the year ended December 31, 2025, U.S. revenue increased by 101% and international revenue increased by 29% over the comparative prior year period.

The increase in revenue was primarily attributable to increased U.S. clinic revenue of $82.5 million, added as a result of the acquisition of Greenbrook in December 2024 and an increase in international revenue of $0.7 million, partially offset by the absence of prior year sales to Greenbrook of $8.8 million and a decrease of $0.1 million in all other revenues.

The international revenue growth was primarily driven by an increase in NeuroStar Advanced Therapy System revenue.

U.S. NeuroStar Advanced Therapy System revenue for the year ended December 31, 2025 was $14.3 million, a decrease of 7% compared year ended December 31, 2024 revenue of $15.3 million. The $1.0 million decrease in revenue was directly attributable to a decrease in the number of units sold from 185 units for the year ended December 31, 2024 to 159 units for the year ended December 31, 2025. This decrease in revenue was partially offset by a marginal increase in our average selling price per unit. The Company expects to recognize future recurring treatment session revenue related to the sale of 160 NeuroStar Advanced Therapy Systems for the year ended December 31, 2025 including 1 unit recognized as an operating lease for December 31, 2025.

U.S. treatment session revenue for the year ended December 31, 2025 was $43.3 million, a decrease of 15% compared to year ended December 31, 2024 revenue of $50.8 million. The decline was primarily attributable to the absence of $8.2 million in treatment session revenue to Greenbrook associated with the prior year period, which is offset by an increase in treatment session volume with other customers compared to the prior year period

Cost of Revenues and Gross Margin

Cost of revenues increased by $56.1 million, or 271%, from $20.7 million for the year ended December 31, 2024 to $76.8 million for the year ended December 31, 2025. Gross margin was 48.5% for the year ended December 31, 2025 compared to 72.3% for the year ended December 31, 2024. The decrease in gross margin was primarily a result of the inclusion of Greenbrook's clinic business and reduction in treatment session revenue.

Sales and Marketing Expenses

Sales and marketing expenses increased by $1.8 million, or 4%, from $45.6 million for the year ended December 31, 2024 to $47.5 million for the year ended December 31, 2025. Sales and marketing expense

increased during the period due to the inclusion of Greenbrook, which was offset by the decrease in bad debt expense during the same period.

General and Administrative Expenses

General and administrative expenses increased by $19.4 million, or 64% from $30.3 million for the year ended December 31, 2024 to $49.7 million for the year ended December 31, 2025. The increase was primarily driven by the addition of general and administrative expenses related to post acquistion, partially offset by cost synergies realized following the acquisition of Greenbrook.

Research and Development Expenses

Research and development expenses decreased by $6.2 million, or 48%, from $12.8 million for the year ended December 31, 2024 to $6.6 million for the year ended December 31, 2025. Research and development expenses for 2024 included a $4.0 million non-cash software impairment charge related to the Company's decision to halt development of a product release following a strategic reassessment of product development priorities and strategies after the Greenbrook acquisition.

Excluding the prior-year impairment charge, the decrease in research and development expenses in 2025 was driven by personnel expense savings related to restructuring after the Company's acquisition of Greenbrook.

Interest Expense

Interest expense increased by $1.1 million, or 15%, from $7.3 million for the year ended December 31, 2024 to $8.4 million for the year ended December 31, 2025 primarily due to a higher outstanding debt balance.

Loss on extinguishment of debt

No loss on extinguishment of debt was recorded during the year ended December 31, 2025. During the year ended December 31, 2024, the Company recorded a loss on extinguishment of debt of $4.4 million related to the Solar Facility, which consisted of $1.2 million in early prepayment fees and $3.2 million related to the write-off of deferred financing costs.

Other Income, Net

Other income, net decreased by $1.8 million from $2.5 million for the year ended December 31, 2024 to $0.7 million for the year ended December 31, 2025, primarily as a result of decreased interest income earned on the Company's money market accounts and notes receivable interest.

Comparison of the Years ended December 31, 2024 and 2023

The information required within this section is incorporated by reference to the information set forth in the section titled "Comparison of the Years ended December 31, 2024 and 2023" in "Management's Discussion and Analysis of our Financial Condition and Results of Operations" in our 2024 Annual Report on Form 10-K filed on March 27, 2025.

Liquidity and Capital Resources

Overview

As of December 31, 2025, we had cash and cash equivalents of $28.1 million and an accumulated deficit of $458.8 million, compared to cash and cash equivalents of $18.5 million and an accumulated deficit of $419.8

million as of December 31, 2024. We incurred negative cash flows from operating activities of $20.4 million and $31.0 million for the years ended December 31, 2025 and 2024, respectively. We have incurred operating losses since our inception, and we anticipate that our operating losses will continue in the near term as we seek to expand our sales and marketing initiatives to support our growth in existing and new markets, invest funds in additional research and development activities and utilize cash for other corporate purposes. The Company's primary sources of capital to date have been from its initial public offering ("IPO"), borrowings under its credit facility, proceeds from its secondary public offering of common stock (including, without limitation, our ATM Program), and revenues from sales of its products. The Company entered into a Credit Agreement and Guaranty with Perceptive as collateral agent and other lenders defined in the Perceptive Facility. As of December 31, 2025, the Company had $70.0 million of borrowings outstanding under the Perceptive Facility, which has a final maturity on July 25, 2029. The Perceptive Facility is subject to certain financial covenants including a minimum net revenue covenant that escalates over the term of the Perceptive Facility and a minimum liquidity covenant.

On February 10, 2025, the Company completed a secondary public offering of its common stock in which the Company issued and sold 9,200,000 shares of its common stock, which included shares pursuant to an option granted to the underwriter to purchase additional shares, at a public offering price of $2.25 per share. The Company received net proceeds of $19.0 million after deducting underwriting discounts, commissions and estimated offering expenses.

On July 3, 2025, the Company entered into an Equity Distribution Agreement (the "Distribution Agreement") with Canaccord Genuity LLC ("Canaccord"), pursuant to which the Company may offer and sell shares of its common stock having an aggregate offering price of up to $50.0 million from time to time through an at-the-market equity offering program (the "ATM Program"). Sales under the Distribution Agreement will be made pursuant to the Company's Registration Statement on Form S-3 (File No. 333-288526), and a related prospectus and prospectus supplement.

During the year ended December 31, 2025, the Company sold an aggregate of 2,261,835 shares of its common stock under the ATM Program at an average price of $3.68 per share, generating gross proceeds of approximately $8.3 million. The Company paid aggregate sales commissions of $0.3 million and incurred additional offering-related expenses of $0.2 million. As a result, net proceeds from the offering were $7.8 million.

As of December 31, 2025, the Company had approximately $41.7 million remaining available for future issuance under the ATM Program.

On March 12, 2026, the Company amended the terms of its credit arrangement to modify the required revenue covenants through December 31, 2026 and the liquidity covenants through September 30, 2027. The Company's ability to meet its liquidity needs, including meeting future revenue and liquidity covenants, is dependent on growth in existing and acquired product lines and the realization of synergies subsequent to its acquisition of Greenbrook. Management believes that the Company's cash and cash equivalents as of December 31, 2025 and anticipated revenues from sales of our products and services are sufficient to fund the Company's operations for at least the next 12 months from the issuance of these consolidated financial statements.

If our cash and cash equivalents and anticipated revenues from sales of our products and services are insufficient to satisfy our liquidity requirements, we may seek to sell additional common or preferred equity or debt securities or enter into a new credit facility or another form of third-party funding or seek other debt financing. If we raise additional funds by issuing equity or equity-linked securities, our stockholders would experience dilution and any new equity securities could have rights, preferences and privileges superior to those of holders of our common stock. Debt financing, if available, may involve covenants restricting our operations or our ability to incur additional debt. We cannot be assured that additional equity, equity-linked or debt financing will be available on terms favorable to us or our stockholders, or at all. It is also possible that

we may allocate significant amounts of capital towards products or technologies for which market demand is lower than expected and, as a result, abandon such efforts. If we are unable to maintain our current financing or obtain adequate additional financing when we require it, or if we obtain financing on terms which are not favorable to us, or if we expend capital on products or technologies that are unsuccessful, our ability to continue to support our business growth and to respond to business challenges could be significantly limited, or we may be required to delay the development, commercialization and marketing of our products and services.

Our current and future funding requirements will depend on many factors, including:

- our ability to achieve revenue growth and improve operating margins;
- compliance with the terms and conditions, including covenants, set forth in our credit facility;
- the cost of expanding our operations and offerings, including our sales and marketing efforts;
- our ability to improve or maintain coverage and reimbursement arrangements with domestic third-party and government payors;
- our rate of progress in establishing coverage and reimbursement arrangements from international commercial third-party and government payors;
- our rate of progress in, and cost of the sales and marketing activities associated with, establishing adoption of our products and services and maintaining or improving our sales to our current customers;
- the cost of research and development activities, including research and development relating to additional indications of neurohealth disorders;
- the effect of competing technological and market developments;
- costs related to international expansion; and
- the potential cost of and delays in product development as a result of any regulatory oversight applicable to our products and services.

The Company’s material cash requirements include the following contractual and other obligations.

Debt

On March 2, 2020 the Company entered into a Loan and Security Agreement with Solar as collateral agent and other lenders as defined in the Solar Facility. As of December 31, 2023 the Solar Facility was $60 million.

On March 7, 2024, the Company entered into the “Solar Sixth Amendment”.

Under the Solar Sixth Amendment, Solar (i) waived the specified events with respect to the Company’s non-compliance with the required revenue under the net product revenue covenant and (ii) amended the financial covenants to reflect current projections.

As of June 30, 2024, the Company was not in compliance with its minimum net product revenue covenant under the Solar Facility. The amount of borrowing affected by this noncompliance was $60 million.

On July 25, 2024, the Company entered into a Credit Agreement and Guaranty with Perceptive and used the proceeds to partially prepay in full all outstanding obligations under our Solar Facility. In connection with this prepayment, the Company paid Solar $64.7 million, which consisted of (i) $60.0 million of remaining principal amount outstanding, (ii) $0.5 million of accrued and unpaid interest, (iii) $3.0 million in connection with the final payment fee, and (iv) $1.2 million in connection with the prepayment fee. The Company funded the prepayment of the Solar Facility using proceeds from the Perceptive Facility and cash on hand.

In connection with the Perceptive Facility and closure of the Solar Facility, the Company recorded a loss on extinguishment of $4.4 million. This included $1.2 million of early prepayment fees and $3.2 million of deferred financing expense related to extinguishment of debt.

In July 2025 the Company borrowed an additional $10 million under the Perceptive Facility.

As of December 31, 2025, the Company had $70.0 million of borrowings outstanding under the Perceptive Facility, which has a final maturity on July 25, 2029. The interest rate on borrowings under the Perceptive Facility is the sum of 7.00% plus the greater of (a) 4.50% and (b) One-Month Term SOFR (as defined in the Perceptive Facility).

Leases

The Company has lease arrangements for equipment and certain facilities, including our corporate headquarters and warehouse in Malvern, Pennsylvania and a training facility in Charlotte, North Carolina. Additionally the Company has lease agreements related to its treatment centers. These lease agreements range from “month-to-month” to seven years in length. As of December 31, 2025, the Company had fixed lease payment obligations of $34.8 million, including $7.9 million due within the next twelve months.

Cash Flows

The following table sets forth a summary of our cash flows for the years ended December 31, 2025, 2024, and 2023:

	December 31,		
	2025	2024	2023
Net Cash used in Operating activities	$ (20,374)	$ (30,997)	$ (32,038)
Net Cash used in Investing activities	(801)	(2,413)	(1,322)
Net Cash provided by (used in) Financing activities	35,850	(6,808)	22,697
Net increase (decrease) in Cash, Cash equivalents and Restricted cash	$ 14,675	$ (40,218)	$ (10,663)

Net Cash Used in Operating Activities

Net cash used in operating activities for 2025 was $20.4 million, consisting primarily of a net loss of $39.1 million which is partially offset with a decrease in net operating assets of $6.6 million, and non-cash charges of $12.1 million, primarily consisting of depreciation and amortization, allowance for credit losses, share-based compensation and non-cash interest expense. The decrease in net operating assets was primarily due to decreases in accounts receivable, prepaid expense and other assets, partially offset with decreases in accounts payable and accrued expenses.

Net cash used in operating activities for 2024 was $31.0 million, consisting primarily of a net loss of $43.7 million and an increase in net operating assets of $6.8 million, partially offset by non-cash charges of $19.5 million, primarily consisting of depreciation and amortization, capitalized software impairment, allowance for credit losses, share-based compensation, non-cash interest expense and loss on extinguishment of debt. The

increase in net operating assets was primarily due to increases in accounts receivable, prepaid expenses and other assets, prepaid commission expense and decreases in accounts payable and accrued expenses.

Net cash used in operating activities for 2023 was $32.0 million, consisting primarily of a net loss of $30.2 million and an increase in net operating assets of $14.1 million, partially offset by non-cash charges of $12.3 million. The increase in net operating assets was primarily due to increases in accounts receivable and prepaid commission expense, and decreases in accrued compensation. Non-cash charges consisted of depreciation and amortization, non-cash interest expense, share-based compensation, and the cost of rental units purchased by customers.

Net Cash Used in Investing Activities

Net cash used in investing activities for the years ended December 31, 2025, 2024 and 2023 was $(0.8) million, $(2.4) million and $(1.3) million, respectively.

Net cash used in investing activities for the year ended December 31, 2025 was attributable to purchases of property and equipment and capitalized software costs.

Net cash used in investing activities for the year ended December 31, 2024 was due to cash paid for acquisition, net of cash and restricted cash acquired, purchases of property and equipment and capitalized software costs partially offset by payment received on our promissory notes.

Net cash used in investing activities for the year ended December 31, 2023 was due to payments received on our promissory notes offset partially by purchases of property and equipment and capitalized software.

Net Cash Provided by (Used in) Financing Activities

Net cash provided by financing activities for the year ended December 31, 2025 was $35.9 million. This primarily reflected proceeds from the issuance of common stock of $20.7 million and proceeds from the issuance of long-term debt of $10.0 million. In addition, the Company received approximately $8.3 million in proceeds from the issuance of common stock under the ATM Program. These proceeds were partially offset by common stock offering issuance costs of $1.7 million, payments of issuance costs under the ATM Program of $0.5 million, and debt issuance costs. Further, the Company made payments on a promissory note, deferred and contingent consideration and distributions to non-controlling interests totaling $0.8 million.

Net cash used in financing activities for the year ended December 31, 2024 was $6.8 million and primarily consisted of the repayment of the Solar Facility, proceeds from the Perceptive Facility, issuance of long-term debt and warrants and payment of debt issuance costs related to the Perceptive Facility.

Net cash provided by financing activities for the year ended December 31, 2023 was $22.7 million attributable primarily to additional debt net of final payment and amendment fee paid in connection with the two amendments of the Solar Facility in 2023.

Indebtedness

Refer to Note 14. Debt in our audited financial statements and related notes thereto appearing elsewhere in this Annual Report on Form 10-K for information regarding our current Perceptive Facility.

Perceptive Credit Facility

The following table sets forth by year our required future principal payments under the term loan portion of the Perceptive Facility (as discussed in Note 14. Debt) (in thousands):

Year:	Principal Payments
2026	$ —
2027	—
2028	—
2029	70,000
Total principal payments	$ 70,000

Common Stock Offering

On February 10, 2025, the Company completed a secondary public offering of its common stock in which the Company issued and sold 9,200,000 shares of its common stock, which included shares pursuant to an option granted to the underwriter to purchase additional shares, at a public offering price of $2.25 per share. The Company received net proceeds of $19.0 million after deducting underwriting discounts, commissions and estimated offering expenses.

On July 3, 2025, the Company entered into the Distribution Agreement, pursuant to which the Company could offer and sell shares of its common stock having an aggregate offering price of up to $50.0 million from time to time through the ATM Program. Sales under the Distribution Agreement, will be made pursuant to the Company's Registration Statement on Form S-3 (File No. 333-288526), and a related prospectus and prospectus supplement.

During the year ended December 31, 2025, the Company sold an aggregate of 2,261,835 shares of its common stock under the ATM Program at an average price of $3.68 per share, generating gross proceeds of approximately $8.3 million. The Company paid aggregate sales commissions of $0.3 million and incurred additional offering-related expenses of $0.2 million resulting in, net proceeds from the offering of $7.8 million.

As of December 31, 2025, the Company had approximately $41.7 million remaining available for future issuance under the ATM Program.

Critical Accounting Policies and Use of Estimates

The preparation of our consolidated financial statements in accordance with U.S. GAAP and the rules and regulations of the SEC requires us to make estimates and assumptions, based on judgments considered reasonable, which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. We base our estimates and assumptions on historical experience, known trends and events and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Although we believe our estimates and assumptions are reasonable when made, they are based upon information available to us at the time they are made. We evaluate our estimates and assumptions on an ongoing basis and, if necessary, make adjustments. Due to the risks and uncertainties involved in our business and evolving market conditions and given the subjective element of the estimates and assumptions made, actual results may differ from estimated results.

We define our critical accounting policies as those accounting policies that are most important to the portrayal of our financial condition and results of operations and require our most difficult and subjective judgments. While our significant accounting policies are more fully described in Note 3. Summary of Significant Accounting Policies in our audited consolidated financial statements and related notes thereto appearing

elsewhere in this Annual Report on Form 10-K, we believe the following discussion addresses our most critical accounting policies.

Revenue Recognition

We account for revenue in accordance with Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*. Under ASC 606, we recognize revenue when control of the promised good or service is transferred to our customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those good or services. Accordingly, we determine revenue recognition by applying the following steps:

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

We primarily earn revenues from clinic revenue, the sale of NeuroStar Advanced Therapy Systems, consumable use treatment sessions, and accessory products. A contract's transaction price is allocated to each performance obligation and recognized as revenue when, or as, the performance obligation is satisfied, which generally is the point in time when the product is shipped or control is transferred. We sell to end users in the United States and to third-party distributors outside the United States and do not provide return rights. Sales to distributors outside the United States are made in U.S. dollars.

Revenue attributable to the NeuroStar Advanced Therapy Systems purchased on a rent-to-own basis are accounted for either (1) as operating leases and revenue is recognized on a straight-line basis over the term of the lease; or (2) as a sales-type lease and revenue is recognized upon installation.

Our NeuroStar Advanced Therapy System sales in the United States typically have a post-sale training obligation. This obligation is fulfilled after product shipment, and we defer recognizing revenue until training occurs. We defer the fair value attributable to the post shipment training and recognize such revenue when the obligation is fulfilled. We base the fair value of the training using stand-alone service rates. Our sales to our third-party distributors outside the United States do not have these post-sale obligations.

In addition, we provide a one-year warranty for systems sold in the United States. Terms of product warranty differ amongst our third-party distributors outside the United States, but are generally one year. We provide for the estimated cost to repair or replace products under any warranty at the time of sale. We also offer our customers in the United States annual service contracts. Revenue from the sale of annual service contracts is recognized on a straight-line basis over the period of the applicable contract. We also earn revenue from customers from services outside of their warranty term or annual service contracts. Such service revenue is recognized as the services are provided.

Clinic revenue is recognized at a point in time upon the performance of services under contracts with customers and represents the consideration to which the Company expects to be entitled. Clinic revenue is determined based on net patient fees, which includes estimates for contractual allowances and discounts. Net patient fees are estimated using an expected value approach where management considers such variables as the average of previous net patient fees received by the applicable payor and fees received by other patients for similar services and management's best estimate leveraging industry knowledge and

expectations of third-party payors' fee schedules. Third-party payors include federal and state agencies (under the Medicare programs), managed care health plans and commercial insurance companies.

Business Combinations

We allocate the total purchase price of tangible and intangible assets acquired and liabilities assumed based on their estimated fair values as of the business combination date, with the excess purchase price recorded as goodwill. The purchase price allocation process requires us to use significant estimates and assumptions, including fair value estimates, as of the business combination date. Although we believe the assumptions and estimates we have made are reasonable and appropriate, they are based in part on historical experience and information obtained from management of the acquired company. Our assumptions and estimates are also partially based on valuation models that incorporate projections of expected future cash flows and operating plans and are inherently uncertain. Valuations are performed by management or third-party valuation specialists under management's supervision. In determining the fair value of assets acquired and liabilities assumed in business combinations, as appropriate, we may use one of the following recognized valuation methods: the income approach (including discounted cash flows, relief from royalty and excess earnings model), the market approach, or the replacement cost approach.

Examples of significant estimates used to value certain intangible assets acquired include but are not limited to:

- sales volume, pricing, and future cash flows of the business overall;
- future expected cash flows, and other identifiable intangible assets, including future price levels and rates of increase in revenue;
- the acquired company's brand and competitive position, royalty rate quantum, as well as assumptions about the period of time the acquired brand will continue to benefit the combined company's product portfolio; and
- cost of capital, risk-adjusted discount rates, and income tax rates.

Different assumptions regarding projected performance and other factors associated with the acquired assets may affect the amount recorded under each type of asset and liability. The valuations of lease properties, intangible assets, goodwill and non-controlling interests depend heavily on assumptions. Subsequent assessment could result in future impairment charges. We refine these estimates over a measurement period not to exceed one year to reflect new information obtained surrounding facts and circumstances existing at the acquisition date.

Accounting for Goodwill and Other Intangible Assets

Our goodwill represents the excess of the cost over the fair value of net assets acquired. The determination of the value of goodwill and intangibles assets arising from acquisitions requires extensive use of accounting estimates and judgments to allocate the purchase price to the fair value of net tangible and intangible assets acquired. Goodwill is not amortized and is assessed for impairment using fair value measurement techniques on an annual basis or more frequently if facts and circumstances warrant such a review. Goodwill is considered to be impaired if we determine that the carrying value of our reporting unit exceeds its respective fair value.

We have finite-lived intangible assets that are reviewed for impairment whenever indicators of impairment exist such as changes in circumstances that indicate the carrying value of the assets may not be recoverable. Recoverability is measured by a comparison of the carrying amount of future net undiscounted cash flows expected to be generated by the associated asset. If the asset's carrying value is determined to not be recoverable, the impairment to be recognized is measured by the amount by which the carrying amount

exceeds the fair market value of the intangible asset. Calculating cash flows for this measurement requires is to make significant estimates and assumptions related to forecasts of futures revenues, expenses and discount rates. Changes in these assumptions could have a significant impact on the fair value of the intangible asset. If such assets are determined to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount exceeds the fair value of the assets. Any impairment recognized could significantly impact our results of operations in the period of impairment.

Recent Accounting Pronouncements

We refer you to Note 4. Recent Accounting Pronouncements in our audited consolidated financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our cash is held in an insured cash sweep account at a large financial institution, which manages our risk by limiting the amount of cash in any one financial institution to up to $250,000. These balances are insured by the Federal Deposit Insurance Corporation ("FDIC"), which provides an insurance coverage limit of $250,000 per depositor, per FDIC-insured bank, per ownership category. We have reviewed the consolidated financial statements of this institution and believe it has sufficient assets and liquidity to conduct its operations in the ordinary course of business with limited credit risk to us.

Financial instruments that potentially subject us to concentrations of credit risk principally consist of cash equivalents and accounts receivable. We limit our credit risk associated with cash equivalents by placing investments in highly-rated money market funds. We limit our credit risk with respect to accounts receivable by performing credit evaluations when deemed necessary, but we do not require collateral to secure amounts owed to us by our customers.

As discussed in Note 14. Debt in our audited financial statements and related notes thereto appearing elsewhere in of this Annual Report on Form 10-K, each of the Tranche 1 Loan, Tranche 2 Loan and Tranche 3 Loan accrues interest from the date of borrowing through the date of repayment at a floating per annum rate of interest equal to the sum of 7.00% plus the greater of (a) 4.50% and (b) One-Month Term SOFR (as defined in the Perceptive Facility). As a result, a 1% increase in interest would result in approximately $0.6 million in additional interest expense.

Inflationary factors, such as increases in our cost of revenues and operating expenses, may adversely affect our operating results. Although we do not believe inflation has had a material impact on our financial condition, results of operations or cash flows to date, a high rate of inflation in the future may have an adverse effect on our ability to maintain and increase our gross margin or decrease our operating expenses as a percentage of our revenues if our selling prices of our products do not increase as much or more than our costs increase.

We do not currently have any exposure to foreign currency fluctuations and do not engage in any hedging activities as part of our normal course of business.

Item 8. Consolidated Financial Statements and Supplementary Data.

The consolidated financial statements listed in the Index to Consolidated Financial Statements beginning on page F-1 are filed as part of this Annual Report on Form 10-K and incorporated by reference herein.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, refers to controls and procedures that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure. As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Annual Report on Form 10-K. The evaluation did not include any evaluation of the controls and procedures of Greenbrook, which is not required at this time under the applicable procedures. Based on the evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of December 31, 2025 at the reasonable assurance level.

Management’s Report on Internal Control Over Financial Reporting

Internal control over financial reporting refers to the process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that: (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company’s assets that could have a material effect on the consolidated financial statements.

Internal control over financial reporting may not prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are achieved. Further, the design of a control system must be balanced against resource constraints, and therefore the benefits of controls must be considered relative to their costs. Given the inherent limitations in all systems of controls, no evaluation of controls can provide absolute assurance all control issues and instances of fraud, if any, within a company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions or the degree of compliance with policies or procedures may deteriorate. Accordingly, given the inherent limitations in a cost-effective system of internal control, consolidated financial statement misstatements due to error or fraud may occur and may not be detected. Our disclosure controls and procedures are designed to provide reasonable, not absolute, assurance of achieving their objectives. We conduct periodic evaluations of our systems of controls to enhance, where necessary, our control policies and procedures.

Management is responsible for establishing and maintaining adequate internal control over our financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting. Management has used the framework set forth in the report entitled "Internal Control—Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission to evaluate the effectiveness of our internal control over financial reporting. Based on its evaluation, management has concluded that our internal control over financial reporting was effective as of December 31, 2025 at the reasonable assurance level.

This Annual Report on Form 10-K does not include an attestation report of internal control over financial reporting from our independent registered public accounting firm due to our status as a non-accelerated filer.

Changes in Internal Control over Financial Reporting

For the quarter ended December 31, 2025, other than integration-related control enhancements, there were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Perceptive Amendment

As previously disclosed, on July 25, 2024, the Company entered into the Perceptive Facility.

On March 12, 2026, the Company entered into the Perceptive Fifth Amendment. The Perceptive Fifth Amendment amends the Perceptive Facility to (i) modify certain financial covenants and waive certain financial reporting requirements and (ii) make an optional prepayment of the outstanding principal amount of the loans in an amount equal to $5,000,000.

The foregoing summary of the Perceptive Fifth Amendment does not purport to be complete and is qualified in its entirety by reference to the Perceptive Fifth Amendment, a copy of which is filed as Exhibit 10.7 hereto and incorporated herein by reference.

Daniel L. Reuvers Employment Agreement and Severance Agreement

As previously disclosed, on March 12, 2026, the Board appointed Daniel L. Reuvers as the Company's President and Chief Executive Officer effective on the date that Mr. Reuvers commences employment with the Company, which is expected to be March 23, 2026 (the "Reuvers Start Date").

The Company has entered into an employment agreement with Mr. Reuvers that becomes effective on the Reuvers Start Date (the "Employment Agreement"). Under the terms of the Employment Agreement, Mr. Reuvers will: (A) receive an initial annual base salary of $730,000; (B) be eligible for a discretionary annual cash bonus targeted at 100% of his then-current base salary; and (C) receive a grant of 1,500,000 restricted stock units, with 500,000 of such units vesting in substantially equal installments on the first, second, and third anniversary of the Reuvers Start Date, in all cases subject to Mr. Reuvers's continued employment with the Company on each such vesting date.

In the event of termination by the Company without cause or by Mr. Reuvers for good reason, Mr. Reuvers will be entitled to severance benefits, including 12 months of base salary, a prorated target bonus, and continued health coverage pursuant to that certain Severance Agreement effective as of the Reuvers Start Date (the "Severance Agreement").

The foregoing summaries of the Employment Agreement and the Severance Agreement are not complete and are qualified in their entirety by reference to the full text of the Employment Agreement and the Severance Agreement, as applicable, copies of which are filed as Exhibit 10.58 and Exhibit 10.59, respectively, to this Annual Report on Form 10-K and are incorporated herein by reference.

Mr. Reuvers has also entered into the Company's executive indemnification agreement, executive restrictive covenant and severance agreement, and restrictive covenant and invention assignment agreement, and confidential information and invention assignment agreement substantially in the forms of the Company's form of agreements.

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

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item will be included in the information set forth in the sections titled "Proposal 1 - Election of Directors," "Information Regarding the Board of Directors and Corporate Governance" and "Executive Officers of the Company" contained in "Section 16(A) Beneficial Ownership Reporting Compliance" in our 2026 proxy statement.

Item 11. Executive Compensation.

The information required by this item will be included in information set forth in the section titled "Executive Compensation" in our 2026 proxy statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item will be included in information set forth in the section titled "Security Ownership of Certain Beneficial Owners and Management" and "Executive Compensation" in our 2026 proxy statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item will be included in information set forth in the section titled "Transactions with Related Persons" and "Information regarding the Board of Directors and Corporate Governance" in our 2025 proxy statement.

Item 14. Principal Accounting Fees and Services.

The information required by this item will be included in information set forth in the section titled "Principal Accountant Fees and Services" contained in "Proposal 2 – Ratification of Selection of Independent Registered Public Accounting Firm" in our 2026 proxy statement.

PART IV

Item 15. Exhibits, consolidated Financial Statement Schedules.

(a)(1) Consolidated Financial Statements

The consolidated financial statements listed in the Index to Consolidated Financial Statements beginning on page F-1 are filed as part of this Annual Report on Form 10-K.

(a)(2) Consolidated Financial Statement Schedules

All schedules have been omitted because they are not required or because the required information is given in the Consolidated Financial Statements or Notes listed in the Index to Consolidated Financial Statements beginning on page F-1.

(b) Exhibits

The exhibits listed in the Exhibit Index below are filed or incorporated by reference as part of this Annual Report.

Exhibit Index

Exhibit Number	Description of Exhibit
2.1	Arrangement Agreement by and between Neuronetics and Greenbrook dated August 11, 2024 (incorporated by reference to Exhibit 2.1 on the Registrant's Current Report on Form 8-K filed August 13, 2024)
3.1	Ninth Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Form 8-K filed July 6, 2018)
3.2	Certificate of Amendment to the Registrant's Ninth Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Form 8-K filed May 30, 2019)
3.3	Certificate of Amendment to the Company's Ninth Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Form 8-K filed December 10, 2024).
3.4	Fourth Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.1 to the Form 8-K filed December 29, 2022)
4.1	Specimen Stock Certificate evidencing shares of common stock of the Registrant (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-225307))
4.2	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
4.3	Form of Warrant (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed on July 30, 2024)
4.4	Form of Note (incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed on July 30, 2024)
4.5	Form of Security Agreement (incorporated by reference to Exhibit 4.3 of the Registrant's Current Report on Form 8-K filed on July 30, 2024)
4.6	Form of Indenture, between the Registrant and one or more trustees to be named (incorporated by reference to Exhibit 1.1 to the Registrant's Form S-3 File No. 333-288526 filed on July 3, 2025)
10.1	Form of Indemnification Agreement between the Registrant and its non-employee directors and officers (incorporated by reference to Exhibit 10.7 to the Registrant's Registration Statement on Form S-1 (File No. 333-225307))
10.2	Credit Agreement and Guaranty, dated July 25, 2024, by and among Neuronetics, Inc., as the borrower, certain Subsidiaries of Neuronetics, Inc. from time to time party thereto, as guarantors, the lenders from time to time party thereto, and PERCEPTIVE CREDIT HOLDINGS IV, LP, in its capacity as the administrative agent for the lenders (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on July 30, 2024)
10.3	Consent and Amendment No. 1 to Credit Agreement and Guaranty and Warrant Certificate dated December 9, 2024 (incorporated by reference to Exhibit 10.2 of the Registrant's Current Report on Form 8-K filed on December 10, 2024)
10.4◊	Amendment No. 2 to Credit Agreement and Guaranty by and between the Company, as the borrower, and Perceptive, in its capacities as administrative agent for the lenders and the majority lender dated March 26, 2025 (incorporated by reference to Exhibit 10.52 of the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
10.5	Amendment No. 3 to Credit Agreement and Guaranty, dated August 1, 2025 (incorporated by reference to Exhibit 10.1 of the Registrant's Current Report on Form 8-K filed on August 5, 2025)
10.6	Amendment No. 4 to Credit Agreement and Guaranty, dated January 15, 2026 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on January 22, 2026)
10.7*◊	Amendment No. 5 and Waiver to Credit Agreement and Guaranty, dated March 12, 2026

10.8+	Amended and Restated 2003 Stock Incentive Plan of the Registrant, as amended (incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1 (File No. 333-225307))
10.9+	2018 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-38546) filed on November 6, 2018)
10.10+	2018 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.11 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-38546) filed on November 6, 2018)
10.11	Neuronetics, Inc. 2020 Inducement Incentive Plan (incorporated by reference to Exhibit 10.5 to the Registration Statement on Form S-8 (File No. 333-252233) filed January 19, 2021)
10.12	Amendment to the 2020 Inducement Incentive Plan (incorporated by reference to Exhibit 10.3 to the Registration Statement on Form S-8 (File No. 333-284691) filed February 4, 2025)
10.13	Amendment to the 2018 Equity Incentive Plan (incorporated by reference to Exhibit 10.4 to the Registration Statement on Form S-8 (File No. 333-284691) filed February 4, 2025)
10.14	Lease Agreement by and between Exeter 3222 Phoenixville, L.P., and the Registrant, dated January 3, 2013 (incorporated by reference to Exhibit 10.12 to the Registration Statement on Form S-1 (File No. 333-225307))
10.15	First Amendment dated March 22, 2019 to Lease Agreement by and between Phoenixville Pike Owner LLC, and the Registrant (incorporated by reference to Exhibit 10.17 to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
10.16+	Form of Non-Qualified Stock Option Agreement for the Amended and Restated 2003 Stock Incentive Plan, as amended, of the Registrant (incorporated by reference to Exhibit 10.13 to the Registrant's Registration Statement on Form S-1 (File No. 333-225307))
10.17+	Form of Incentive Stock Option Agreement for the Amended and Restated 2003 Stock Incentive Plan, as amended, of the Registrant (incorporated by reference to Exhibit 10.14 to the Registrant's Registration Statement on Form S-1 (File No. 333-225307))
10.18+	Forms of Grant Notice, Stock Option Agreement and Notice of Exercise under the 2018 Equity Incentive Plan (incorporated by reference to Exhibit 10.15 to the Registrant's Registration Statement on Form S-1 (File No. 333-225307))
10.19+	Forms of Restricted Stock Unit Grant Notice and Award Agreement under the 2018 Equity Incentive Plan (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
10.20+	Form of Separation Agreement (incorporated by reference to Exhibit 10.22 to the to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
10.21+	Form of Restrictive Covenant and Invention Assignment Agreement (incorporated by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
10.22+	Form of Restrictive Covenant and Severance Agreement (incorporated by reference to Exhibit 10.24 to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
10.23	Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.25 to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
10.24	Offer Letter, effective as of July 15, 2025, by and between the Company and Steven Pfanstiel (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on July 15, 2025)
10.25+	Employment Agreement, dated July 14, 2020, by and between the Registrant and Keith J. Sullivan, dated July 14, 2020, (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed on July 17, 2020)
10.26+	Amended and Restated Employment Agreement, dated November 2, 2023 by and between the Registrant and Keith J. Sullivan (incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K filed on March 8, 2024)
10.27+	Amended and Restated Restrictive Covenant and Severance Agreement dated November 2, 2023 by and between the Registrant and Keith J. Sullivan (incorporated by reference to Exhibit 10.27 to the Registrant's Annual Report on Form 10-K filed on March 8, 2024)
10.28+◊	Employment Offer Letter Agreement dated November 25, 2019 by and between the Registrant and W. Andrew Macan (incorporated by reference to Exhibit 10.28 to the Registrant's Annual Report on Form 10-K filed on March 8, 2024)

10.29+	Form of Neuronetics, Inc. Performance Restricted Stock Unit Grant Notice and Award Agreement under 2020 Inducement Incentive Plan (incorporated by reference to Exhibit 10.31 to the Registrant's Annual Report on form 10-K filed on March 27, 2025)
10.30+	Form of Neuronetics, Inc. Performance Restricted Stock Unit Grant Notice and Award Agreement under the 2018 Equity Incentive Plan (incorporated by reference to Exhibit 10.32 to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
10.31+	Form of Neuronetics, Inc. Restricted Stock Unit Grant Notice and Award Agreement under 2020 Inducement Incentive Plan (incorporated by reference to Exhibit 10.32 to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
10.32+	Form of Neuronetics, Inc. Stock Option Grant Notice and Agreement (Nonstatutory Stock Option) under 2020 Inducement Incentive Plan (incorporated by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-38546) filed on August 4, 2020)
10.33+	Performance Restricted Stock Unit Grant Notice and Award Agreement, dated July 14, 2020, by and between the Registrant and Keith J. Sullivan (incorporated by reference to Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-38546) filed on August 4, 2020)
10.34+	Restricted Stock Unit Grant Notice and Award Agreement, dated July 14, 2020, by and between the Registrant and Keith J. Sullivan (incorporated by reference to Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-38546) filed on August 4, 2020)
10.35+	Stock Option Grant Notice and Agreement (Nonstatutory Stock Option), dated July 14, 2020, by and between the Registrant and Keith J. Sullivan (incorporated by reference to Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q (File No. 001-38546) filed on August 4, 2020)
10.36	Subordination Agreement, by and between ZW Partners, LLC and the Registrant, dated April 29, 2022 (incorporated by reference to Exhibit 10.1 to the Form 8-K filed May 5, 2022)
10.37	Form of Registration Rights Agreement by and between Neuronetics and Investor dated August 11, 2024 (incorporated by reference to Exhibit 10.4 on the Registrant's Current Report on Form 8-K filed August 13, 2024)
10.38	Amendment to the Registration Rights Agreement by and between Neuronetics and Investor dated November 1, 2024 (incorporated by reference to Exhibit 10.1 on the Registrant's Current Report on Form 8-K filed November 1, 2024)
10.39	Amendment No. 2 to the Registration Rights Agreement by and between Neuronetics and Investor dated March 2, 2026 (incorporated by reference to Exhibit 10.1 on the Registrant's Current Report on Form 8-K filed March 2, 2026)
10.40	Membership Interest Purchase Agreement, dated May 15, 2022, by and among TMS NeuroHealth Centers Inc., Greenbrook TMS Inc., Check Five LLC, Success Behavioral Holdings LLC, Theragroup LLC, The Bereke Trust U/T/A Dated 2/10/03, Batya Klein and Benjamin Klein (incorporated by reference to Exhibit 99.2 to the Registrant's 6-K filed with the SEC on May 20, 2022, first filing)
10.41	Research Collaboration Agreement, dated December 29, 2023, between the Company and Compass Pathways plc. (incorporated by reference to Exhibit 10.17 on Greenbrook's Annual Report on Form 10-K filed April 26, 2024)
10.42	Amendment to Research Collaboration Agreement dated August 8, 2024 by and between Compass Pathfinder Limited and TMS Neurohealth Centers, Inc. (incorporated by reference to Exhibit 10.48 to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
10.43	Second Amendment to Research Collaboration Agreement dated February 14, 2025 by and between Compass Pathfinder Limited and TMS Neurohealth Centers, Inc. (incorporated by reference to Exhibit 10.49 to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
10.44*	Third Amendment to Research Collaboration Agreement dated December 10, 2025 by and between by and between Compass Pathfinder Limited and TMS Neurohealth Centers, Inc.
10.45	Amended and Restated Omnibus Equity Incentive Plan, dated May 6, 2021 (incorporated by reference to Exhibit 99.1 to the Registrant's S-8 filed with the SEC on July 2, 2021)
10.46	Equity Distribution Agreement, dated as of July 3, 2025, by and between the Registrant and Canaccord Genuity LLC (incorporated by reference to Exhibit 1.1 to the Registrant's Form S-3 File No. 333-288526 filed on July 3, 2025)

10.47*+	Employment Agreement effective as of March 23, 2026 (anticipated) by and between the Company and Daniel L. Reuvers.
10.48*+	Severance Agreement effective as of March 23, 2026 (anticipated) by and between the Company and Daniel L. Reuvers
19.1	Insider Trading and Window Period Policy (incorporated by reference to Exhibit 19.1 to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
23.1*	Consent of KPMG LLP, independent registered public accounting firm
31.1*	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
31.2*	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934
32.1*	Certification of the Principal Executive Officer and Principal Financial Officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. section 1350.
97.1	Clawback Policy (incorporated by reference to Exhibit 97.1 to the Registrant's Annual Report on Form 10-K filed on March 27, 2025)
101*	The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2025, were formatted in Inline XBRL (Extensible Business Reporting Language): (i) Balance Sheets, (ii) Statements of Operations, (iii) Statements of Changes in Stockholders' Equity, (iv) Statements of Cash Flows, and (v) Notes to Financial Statements. The instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith

\+ Indicates management contract or compensatory plan.

◊ Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment. The Company will furnish copies of any such information to the Securities and Exchange Commission upon request.

Item 16. Form 10-K Summary

Not applicable.

SIGNATURES

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

NEURONETICS, INC.

By: /s/ Keith J. Sullivan
Keith J. Sullivan
President, Chief Executive Officer and Director
Date: March 17, 2026

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

Signature	Title	Date
/s/ Keith J. Sullivan **Keith J. Sullivan**	President, Chief Executive Officer and Director (Principal Executive Officer)	March 17, 2026
/s/ Steven E. Pfanstiel **Steven Pfanstiel**	Executive VP, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	March 17, 2026
/s/ Robert A. Cascella Robert Cascella	Director	March 17, 2026
/s/ Sheryl L. Conley **Sheryl Conley**	Director	March 17, 2026
/s/ Megan R. Rosengarten **Megan Rosengarten**	Director	March 17, 2026
/s/ Sasha S. Cucuz **Sasha Cucuz**	Director	March 17, 2026
/s/ Glenn P. Muir **Glenn Muir**	Director	March 17, 2026
/s/ Avinash N. Amin, M.D. **Avinash Amin, M.D.**	Director	March 17, 2026

NEURONETICS, INC.
Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

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

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Neuronetics, Inc. and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, changes in equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

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

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

Critical Audit Matter

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

Sufficiency of audit evidence over revenue

As discussed in Note 3 to the consolidated financial statements, the Company recorded $149.2 million of revenue for the year ended December 31, 2025. The majority of the Company's revenue contracts are comprised of one or more of the following performance obligations: (1) clinic revenue from treatment centers, (2) a NeuroStar Advanced Therapy System (the System), (3) treatment sessions, (4) separately priced extended warranties and when-and-if-available upgrade rights, and (5) System clinical and reimbursement training. The Company offers certain customers the option to lease the System. The Company has an exclusive distribution agreement with a foreign entity.

We identified the evaluation of the sufficiency of audit evidence over revenue as a critical audit matter. Evaluating the sufficiency of audit evidence obtained required subjective auditor judgment due to the number of revenue streams. This included determining the revenue streams over which procedures were performed and evaluating the nature and extent of evidence obtained over each revenue stream.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over revenue, including the determination of the revenue streams over which procedures were to be performed. For certain revenue streams, we evaluated the design and implementation of certain internal controls over the Company's revenue processes. For revenue streams identified for testing, we performed one of the following to assess recorded revenue:

● selected a sample of revenue transactions and compared the amounts recognized for consistency with relevant underlying documentation, including payment received, delivery confirmation, and/or external confirmation

● compared total cash received during the year, adjusted for changes in accounts receivable, to the revenue recognized.

We evaluated the sufficiency of audit evidence obtained over revenue by assessing the results of the procedures performed, including the appropriateness of the nature and extent of such evidence

/s/ KPMG LLP

We have served as the Company's auditor since 2003.

Philadelphia, Pennsylvania
March 17, 2026

NEURONETICS, INC.
Consolidated Balance Sheets
(In thousands, except per share data)

	December 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	$ 28,134	$ 18,459
Restricted cash and cash equivalents	6,000	1,000
Accounts receivable, net of allowance of credit losses for $1,043 and $1,930 as of December 31, 2025 and December 31, 2024, respectively	16,469	23,355
Inventory	4,327	4,248
Current portion of net investments in sales-type leases	225	206
Current portion of prepaid commission expense	3,050	3,078
Current portion of notes receivable	424	930
Prepaid expenses and other current assets	2,922	6,846
Total current assets	61,551	58,122
Property and equipment, net	4,466	6,242
Goodwill	23,622	18,634
Intangible assets, net	18,149	19,606
Operating lease right-of-use assets	23,560	27,093
Net investments in sales-type leases	98	86
Prepaid commission expense	7,972	8,902
Long-term notes receivable	151	295
Other assets	1,982	1,923
Total assets	$ 141,551	$ 140,903
Liabilities and Equity		
Current liabilities:		
Accounts payable	$ 10,739	$ 11,077
Accrued expenses	12,316	12,818
Current portion of deferred revenue	753	974
Deferred and contingent consideration	500	1,000
Other payables	652	605
Current portion of operating lease liabilities	5,561	4,791
Total current liabilities	30,521	31,265
Long-term debt, net	65,807	55,151
Deferred revenue	48	2
Operating lease liabilities	18,935	22,686
Total liabilities	115,311	109,104
Commitments and contingencies (Note 20)		
Equity:		
Preferred stock, $0.01 par value: 10,000 shares authorized; no shares issued or outstanding on December 31, 2025 and 2024	—	—
Common stock, $0.01 par value: 250,000 shares authorized; 68,994 and 55,679 shares issued and outstanding on December 31, 2025 and 2024, respectively	690	557
Additional paid-in capital	480,475	446,938
Accumulated deficit	(458,787)	(419,789)
Total Stockholders' equity	22,378	27,706
Non-controlling interest	3,862	4,093
Total equity	26,240	31,799
Total liabilities and equity	$ 141,551	$ 140,903

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

NEURONETICS, INC.
Consolidated Statements of Operations
(In thousands, except per share data)

	Years ended December 31,		
	2025	2024	2023
Revenues			
Products and Other	$ 62,180	$ 70,445	$ 71,348
Services	86,977	4,445	—
Total Revenue	149,157	74,890	71,348
Cost of revenues			
Products and Other	16,464	17,516	19,643
Services	60,385	3,213	—
Total Cost of revenues	76,849	20,729	19,643
Gross profit	72,308	54,161	51,705
Operating expenses:			
Sales and marketing	47,458	45,631	47,318
General and administrative	49,702	30,322	25,426
Research and development	6,584	12,771	9,515
Total operating expenses	103,744	88,724	82,259
Loss from operations	(31,436)	(34,563)	(30,554)
Other (income) expense:			
Interest expense	8,415	7,286	5,424
Loss on extinguishment of debt	—	4,427	—
Other income, net	(716)	(2,549)	(5,789)
Net loss	$ (39,135)	$ (43,727)	$ (30,189)
Less: Net loss attributable to non-controlling interest	(137)	(19)	—
Net loss attributable to Neuronetics stockholders'	$ (38,998)	$ (43,708)	$ (30,189)
Net loss per share of common stock outstanding, basic and diluted attributable to Neuronetics stockholders'	$ (0.59)	$ (1.38)	$ (1.05)
Weighted average common shares outstanding, basic and diluted	65,951	31,734	28,658

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

NEURONETICS, INC.
Consolidated Statements of Changes in Equity
(In thousands)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Noncontrolling Interest	Total Equity
	Shares	Amount				
Balance at December 31, 2022	27,268	$ 273	$ 402,679	$ (345,892)	—	$ 57,060
Share-based awards and options exercises	1,824	18	(18)	—	—	—
Share-based compensation expense	—	—	7,319	—	—	7,319
Net loss	—	—	—	(30,189)	—	(30,189)
Balance at December 31, 2023	29,092	291	409,980	(376,081)	—	34,190
Share-based awards and options exercises	1,282	13	(13)	—	—	—
Issuance of warrants, net of issuance costs of $49	—	—	2,521	—	—	2,521
Issuance of stock as purchase consideration in connection with acquisition	25,305	253	28,848	—	4,112	33,213
Share-based compensation expense	—	—	5,602	—	—	5,602
Net loss	—	—	—	(43,708)	(19)	(43,727)
Balance at December 31, 2024	55,679	557	446,938	(419,789)	4,093	31,799
Share-based awards and options exercises	1,853	18	(6)	—	—	12
Issuance of common stock, net of issuance costs of $1,731	9,200	92	18,877	—	—	18,969
Issuance of common stock under ATM offering, net of issuance costs of $472	2,262	23	7,818	—	—	7,841
Share-based compensation expense	—	—	6,848	—	—	6,848
Net loss	—	—	—	(38,998)	(137)	(39,135)
Distribution to non-controlling interest	—	—	—	—	(94)	(94)
Balance at December 31, 2025	68,994	$ 690	$ 480,475	$ (458,787)	$ 3,862	$ 26,240

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

NEURONETICS, INC.
Consolidated Statements of Cash Flows
(In thousands)

	Years ended December 31,		
	2025	2024	2023
Cash flows from Operating activities:			
Net loss	$ (39,135)	$ (43,727)	$ (30,189)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	3,465	2,073	2,006
Capitalized software impairment	—	3,956	—
Allowance for credit losses	587	2,055	390
Inventory impairment	388	626	1,905
Share-based compensation	6,848	5,602	7,319
Non-cash interest expense	824	771	634
Loss on extinguishment of debt	—	4,427	—
Loss on disposal of property and equipment	72	28	—
Changes in certain assets and liabilities:			
Accounts receivable, net	3,541	(3,727)	(8,831)
Inventory	(395)	3,150	(1,098)
Net investments in sales-type leases	(31)	997	1,193
Prepaid commission expense	958	(1,096)	(1,319)
Prepaid expenses and other assets	4,674	(1,155)	(2,845)
Accounts payable	(1,750)	(1,985)	2,029
Accrued expenses	(502)	(2,083)	(2,243)
Other liabilities	257	(66)	—
Deferred revenue	(175)	(843)	(989)
Net Cash used in Operating activities	(20,374)	(30,997)	(32,038)
Cash flows from Investing activities:			
Purchases of property and equipment and capitalized software	(801)	(1,466)	(2,369)
Cash paid for acquisition, net of cash and restricted cash acquired	—	(2,553)	—
Repayment of notes receivable	—	1,606	1,047
Net Cash used in Investing activities	(801)	(2,413)	(1,322)
Cash flows from Financing activities:			
Payments of debt issuance costs	(168)	(2,624)	(1,104)
Proceeds from issuance of long-term debt	10,000	57,479	25,000
Repayment of promissory note	(211)	—	—
Repayment of deferred and contingent consideration	(500)	—	—
Proceeds from issuance of warrants	—	2,521	—
Repayment of long-term debt	—	(60,000)	(1,200)
Payment for debt extinguishment cost	—	(4,185)	—
Proceeds from the issuance of common stock	20,700	—	—
Payments of common stock offering issuance costs	(1,731)	—	—
Proceeds from issuance of common stock under ATM Program	8,313	—	—
Payments of common stock offering issuance costs under ATM Program	(472)	—	—
Distribution to non-controlling interest	(94)	—	—
Proceeds from exercises of stock options	13	1	1
Net Cash provided by (used in) Financing activities	35,850	(6,808)	22,697
Net increase (decrease) in Cash, Cash equivalents and Restricted cash	14,675	(40,218)	(10,663)
Cash, Cash equivalents and Restricted cash, Beginning of Period	19,459	59,677	70,340
Cash, Cash equivalents and Restricted cash, End of Period	$ 34,134	$ 19,459	$ 59,677
Reconciliation of cash, cash equivalents and restricted cash to the consolidated balance sheet:			
Cash and cash equivalents	28,134	18,459	59,677
Restricted cash and cash equivalents	6,000	1,000	—
Total cash, cash equivalents and restricted cash	$ 34,134	$ 19,459	$ 59,677
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 7,591	$ 6,513	$ 4,790
Transfer of inventory to property and equipment	$ 106	$ 92	$ 210
Supplemental disclosure of non-cash investing and financing activities:			
Purchases of property and equipment and capitalized software in accounts payable and accrued expenses	$ 83	$ 13	$ 239
Reduction of accounts receivable in current and long-term notes receivable	$ —	$ 606	$ 6,468

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

Notes to the consolidated financial statements

1. DESCRIPTION OF BUSINESS

Neuronetics, Inc. (the "Company," "Neuronetics," the "Registrant,") believes that mental health is as important as physical health. As a global leader in neuroscience, the Company is delivering more treatment options to patients and healthcare providers by offering exceptional in-office treatments that produce extraordinary results. The Company's first commercial product, the NeuroStar Advanced Therapy System ("the system"), is a non-invasive and non-systemic office-based treatment that uses transcranial magnetic stimulation, ("TMS"), to create a pulsed, MRI-strength magnetic field that induces electrical currents designed to stimulate specific areas of the brain associated with mood. The system is cleared by the FDA to treat adult patients with major depressive disorder ("MDD") who have failed to achieve satisfactory improvement from prior antidepressant medication in the current MDD episode. It is also cleared by the FDA as an adjunct for adults with OCD and for adolescent patients aged 15-21 with MDD. It is also cleared by the FDA to decrease anxiety symptoms in adult patients with MDD that may exhibit comorbid anxiety symptoms (anxious depression). In addition to selling the NeuroStar Advanced Therapy System and associated treatment sessions to customers, the Company operates Greenbrook TMS Inc. ("Greenbrook") treatment centers ("Treatment Centers") across the U.S., offering NeuroStar Advanced Therapy. The Company acquired Greenbrook, a leading provider of mental healthcare services, pursuant to an Arrangement Agreement effective as of December 9, 2024. The NeuroStar Advanced Therapy System is safe, clinically effective, reproducible and precise and the Company believes is supported by the largest clinical data set of any competing TMS system. Treatment centers also obtain SPRAVATO® to treat adults with treatment-resistant depression or depressive symptoms in adults suffering from MDD with acute suicidal ideation or behavior.

The Company's shares continue to trade on the Nasdaq Global Market under the ticker "STIM".

Liquidity

As of December 31, 2025, the Company had cash and cash equivalents of $28.1 million and an accumulated deficit of $458.8 million. The Company incurred negative cash flows from operating activities of $20.4 million, $31.0 million and $32.0 million for the years ended December 31, 2025, 2024 and 2023, respectively. The Company has incurred operating losses since its inception, and management anticipates that its operating losses will continue in the near term as the Company continues to invest in sales and marketing and product development activities. The Company's primary sources of capital to date have been from its initial public offering ("IPO"), borrowings under its credit facility, proceeds from its secondary public offering of common stock (including, without limitation, its ATM Program), and revenues from sales of its products. As of December 31, 2025, the Company had $70.0 million of borrowings outstanding under its credit facility, which matures in July 2029.

On February 10, 2025, the Company completed a secondary public offering of its common stock in which the Company issued and sold 9,200,000 shares of its common stock, which included shares pursuant to an option granted to the underwriter to purchase additional shares, at a public offering price of $2.25 per share. The Company received net proceeds of $19.0 million after deducting underwriting discounts, commissions and estimated offering expenses.

On July 3, 2025, the Company entered into an Equity Distribution Agreement (the "Distribution Agreement") with Canaccord Genuity LLC ("Canaccord"), pursuant to which the Company may offer and sell shares of its common stock having an aggregate offering price of up to $50.0 million from time to time through an at-the-market equity offering program (the "ATM Program"). Sales under the Distribution Agreement will be made pursuant to the Company's Registration Statement on Form S-3 (File No. 333-288526), and a related prospectus and prospectus supplement.

During the year ended December 31, 2025, the Company sold an aggregate of 2,261,835 shares of its common stock under the ATM Program at an average price of $3.68 per share, generating gross proceeds of approximately $8.3 million. The Company paid aggregate sales commissions of $0.3 million and incurred additional offering-related expenses of $0.2 million. As a result, net proceeds from the offering were $7.8 million.

As of December 31, 2025, the Company had approximately $41.7 million remaining available for future issuance under the ATM Program.

On March 12, 2026, the Company amended the terms of its credit arrangement to modify the required revenue covenants through December 31, 2026 and the liquidity covenants through September 30, 2027. The Company's ability to meet its liquidity needs, including meeting future revenue and liquidity covenants, is dependent on growth in existing and acquired product lines and the realization of synergies subsequent to its acquisition of Greenbrook. Management believes that the Company's cash and cash equivalents as of December 31, 2025 and anticipated revenues from sales of our products and services are sufficient to fund the Company's operations for at least the next 12 months from the issuance of these consolidated financial statements.

2. BASIS OF PRESENTATION

The accompanying consolidated financial statements have been prepared in accordance with U.S. GAAP. Any reference in these notes to applicable guidance is meant to refer to U.S. GAAP as found in the Accounting Standards Codification ("ASC"), and Accounting Standards Updates ("ASUs"), promulgated by the Financial Accounting Standards Board ("FASB").

Basis of Consolidation

The consolidated financial statements of the Company are presented in U.S. dollars and include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Company consolidates entities in which it has a controlling financial interest based on either the variable interest entity (VIE) or voting interest model (VOE). The Company is required to first apply the VIE model to determine whether it holds a variable interest in an entity, and if so, whether the entity is a VIE. ASC Topic 810, *Consolidation* ("Topic 810") defines the criteria for determining the existence of VIEs and provides guidance for consolidation.

An entity is considered to be a VIE if (i) the entity does not have enough equity to finance its own activities without additional support, (ii) the entity's at-risk equity holders lack the characteristics of a controlling financial interest, or (iii) the entity is structured with non-substantive voting rights. The primary beneficiary of a VIE is the party that has the power to direct the activities that most significantly impact the performance of the entity and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the entity. The primary beneficiary is required to consolidate the VIE for financial reporting purposes. A VIE can have only one primary beneficiary but may not have a primary beneficiary if no party meets the criteria described above.

If the Company determines it does not hold a variable interest in a VIE, the Company applies the VOE model. To the extent the entity does not meet the definition of a VIE, Topic 810 guidance for voting interest entities is applied. The usual condition for a controlling financial interest, and therefore consolidation by the Company, is ownership of a majority voting interest of a corporation or a majority of kick-out rights for a limited partnership. The Company has determined that all its subsidiaries are VOEs primarily because it holds a majority voting interest in the entities.

Reclassifications

Certain prior period amounts have been reclassified for comparative purposes.

Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of those rates. The Company has minimal exposure to currency risk as substantially all of the Company's revenue, expenses, assets and liabilities are denominated in U.S. dollars. The Company pays certain vendors and payroll costs in Canadian dollars from time to time, but due to the limited size and nature of these payments it does not give rise to significant currency risk.

Use of Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP and the rules and regulations of the SEC, requires the use of estimates and assumptions, based on judgments considered reasonable, which affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates and assumptions on historical experience, known trends and events and various other factors that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Although management believes its estimates and assumptions are reasonable when made, they are based upon information available at the time they are made. Management evaluates the estimates and assumptions on an ongoing basis and, if necessary, makes adjustments. Due to the risks and uncertainties involved in the Company's business and evolving market conditions and given the subjective element of the estimates and assumptions made, actual results may differ from estimated results.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. As of December 31, 2025 and 2024, cash equivalents consisted of money market funds.

Restricted Cash and Deferred and Contingent Consideration

The deferred and contingent consideration payable and related balance within restricted cash relate to Greenbrook's acquisition of Achieve TMS East, LLC and Achieve TMS Central, LLC prior to our acquisition of Greenbrook. At December 31, 2025, the deferred and contingent consideration was $0.5 million and restricted cash that was held in an escrow account, subject to finalization of the escrow conditions, was $0.5 million.

The remainder of restricted cash consists of $5.5 million of cash deposits held in a collateral account in connection with a cash-secured standby letter of credit ("SBLC") arrangement with a financial institution. The SBLC supports certain contractual obligations, including commitments related to the purchase of SPRAVATO. These funds are contractually restricted and are not available for general operating purposes while the SBLC remains outstanding. The collateral account earns interest at a stated rate of approximately 1% per annum, subject to market conditions. Restricted cash will be released upon the expiration, cancellation, or termination of the SBLC in accordance with the terms of the underlying agreement.

Concentrations of Credit Risk

The Company's cash is held on deposit in demand accounts at large financial institutions in amounts in excess of the FDIC insurance coverage limit of $250,000 per depositor, per FDIC-insured bank, per ownership category.

Financial instruments that potentially subject the Company to concentrations of credit risk principally consist of cash equivalents and accounts receivable. The Company limits its credit risk associated with cash equivalents by placing investments in highly-rated money market funds. The Company limits its credit risk with respect to accounts receivable by performing credit evaluations when deemed necessary, but it does not require collateral to secure amounts owed by its customers.

Segments

Operating segments are defined as components of a public entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") for purposes of allocating resources and evaluating financial performance. Effective October 1, 2025, the Company realigned its reportable segments to reflect the way the Company's CODM assesses performance and allocates resources. The Company previously had one reportable segment, but now operates in two business segments: (i) medical device and (ii) clinic services market. The Company's chief executive officer is the CODM.

Business Combinations

The Company allocates the purchase consideration to the identifiable assets and liabilities acquired, including intangible assets at fair value on the date of the acquisition. The excess of the fair value of the purchase consideration over the fair value of the identifiable assets and liabilities, if any, is recorded as goodwill. During the measurement period, which is up to one year from the acquisition date, the Company may adjust initial amounts that were recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

Determining the fair value of assets acquired and liabilities assumed requires significant judgment, including the selection of valuation methodologies that may include the income approach, the cost approach, or the market approach. Significant assumptions used in those methodologies include the timing and amounts of cash flow projections, including revenue growth rates, margins, royalty rates, counterparty risk rates, and other discount rates.

Intangible Assets

The Company has acquired intangible assets through the acquisition of Greenbrook. Intangible assets are recorded at fair value on the date of acquisition and are subject to amortization over the estimated useful lives of each asset. Estimates of fair value and useful lives are based on historical factors, current circumstances, and the experience and judgment of management. Estimates and assumptions used to value intangible assets are evaluated by management on an ongoing basis.

Goodwill

Goodwill represents the excess of the purchase price as compared to the fair value of net assets acquired and liabilities assumed. Goodwill is not amortized but is tested for impairment annually or when indications of impairment exist. The Company can elect to qualitatively assess goodwill for impairment if it is more likely than not that the fair value of a reporting unit exceeds its carrying value.

Impairment exists when the carrying amount, including goodwill, of the reporting unit exceeds its fair value, resulting in an impairment charge for this excess (not to exceed the carrying amount of the goodwill). The

Company's annual impairment testing date is October 1. The impairment, if determined, is recorded within operating expenses in the Consolidated Statements of Operations in the period the determination is made. There were no impairments recorded during the years presented.

Allowance for Credit Losses

The Company accounts for allowance for credit losses incurred in accordance with ASC Topic 326, *Financial Instruments-Credit Losses*. The Company monitors accounts receivable and long-term notes receivable and estimates the allowance for lifetime expected credit losses. Estimates of expected credit losses are based on historical collection experience and other factors, including those related to current market conditions and events.

Leases

The Company accounts for leases in accordance with ASC Topic 842, *Leases* (“Topic 842”). The Company determines if an arrangement is a lease at contract inception. A lease exists when a contract conveys to the customer the right to control the use of identified property, plant, or equipment for a period of time in exchange for consideration. The definition of a lease embodies two conditions: (1) there is an identified asset in the contract that is land or a depreciable asset (i.e., property, plant, and equipment), and (2) the customer has the right to control the use of the identified asset.

The Company leases warehouse, office spaces, treatment centers, a training facility and office equipment pursuant to net operating leases. Operating leases where the Company is the lessor are included in revenue on the Consolidated Statements of Operations.

From time to time the Company enters into sales-type lease arrangements that include a lessee obligation to purchase the leased equipment at the end of the lease term, automatic transfer of ownership of the leased equipment at the end of the lease, a lessee purchase option reasonably certain to be exercised, or provides for minimum lease payments with a present value equal to or exceeding substantially all of the fair value of the underlying leased equipment at the date of lease inception. Sales-type leases where the Company is the lessor are included in revenue on the Consolidated Statements of Operations.

Operating leases where the Company is the lessee are included in operating lease right-of-use assets and operating lease liabilities on the Consolidated Balance Sheets. The lease liabilities are initially measured at the present value of the unpaid lease payments at the lease commencement date.

The Company uses the following inputs in its lease calculations under Topic 842: (1) the discount rate the Company uses to discount the unpaid lease payments to present value, (2) lease term, and (3) lease payments.

(1) Topic 842 requires a lessor to discount its unpaid lease payments using the interest rate implicit in the lease and a lessee to discount its unpaid lease payments using the interest rate implicit in the lease or, if that rate cannot be readily determined, its incremental borrowing rate. As the rate implicit in the Company’s leases are not readily determinable, the Company uses the incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The incremental borrowing rate for a lease is the rate of interest the Company would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. The Company uses the implicit rate when readily determinable.

(2) The lease term for all leases includes the noncancelable period of the lease plus any additional periods covered by either a lessee option to extend (or not to terminate) the lease that the lessee is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.

(3) Lease payments included in the measurement of the lease asset or liability comprise the following: fixed payments (including in-substance fixed payments), and the exercise price of a lessee option to purchase the underlying asset if the lessee is reasonably certain to exercise.

For operating leases where the Company is the lessor, the Company continues recognizing the underlying asset and depreciating it over its estimated useful life. Lease income from lessees is recognized on a straight-line basis over the terms of the relevant lease agreement in revenue. Operating leases for equipment with fixed rentals and step rentals are recognized on a straight-line basis over the term of the lease, assuming no renewals, in revenue. Revenue is not recognized when collection is not reasonably assured. When collectability is not reasonably assured, the customer is placed on non-accrual status and revenue is recognized when cash payments are received.

The lease asset for sales-type leases is initially measured as the total net investment in the lease, which comprises the initial amount of the lease receivable plus the deferred initial direct costs.

Lease assets for sales-type leases where the Company is the lessor and Right-of-use ("ROU") assets for operating leases where the Company is the lessee are periodically reduced by impairment losses. The Company uses the loans impairment guidance in ASC Subtopic 330-10, *Receivables*, and the long-lived assets impairment guidance in ASC Subtopic 360-10, *Property, Plant, and Equipment – Overall*, to determine whether a lease asset or a ROU asset, respectively, is impaired, and if so, the amount of the impairment loss to recognize. There were no impairment losses recorded during the years ended December 31, 2025, 2024, and 2023.

The Company monitors for events or changes in circumstances that require a reassessment of its leases. When a reassessment results in the remeasurement of a lease liability, a corresponding adjustment is made to the carrying amount of the corresponding ROU asset unless doing so would reduce the carrying amount of the ROU asset to an amount less than zero. In that case, the amount of the adjustment that would result in a negative ROU asset balance is recorded in profit or loss.

The Company has elected not to recognize ROU assets and lease liabilities for all short-term leases that have a lease term of 12 months or less. The Company recognizes the lease payments associated with the short-term leases as an expense on a straight-line basis over the lease term. Variable lease payments associated with these leases are recognized and presented in the same manner as for all other leases. The Company has elected to exclude sales and other similar taxes from lease payments in arrangements where the Company is a lessor.

Inventory

Inventory is stated at the lower of cost and net realizable value, with cost being determined on a first in, first out basis. The Company's inventory is primarily comprised of finished goods and work-in-process. For the years ended December 31, 2025, 2024, and 2023, the Company recorded $0.4 million, $0.6 million, and $1.9 million, respectively, as inventory impairment within Cost of revenues on the Consolidated Statements of Operations.

Property and Equipment and Capitalized Software

Property and equipment are recorded at cost. Maintenance and repairs are charged to expense as incurred and costs of improvements and renewals are capitalized. Depreciation and amortization are recognized using the straight-line method based on the estimated useful lives of the related assets. The Company uses an estimated useful life of three years for computers and software, five years for laboratory, auto and office equipment, ten years for TMS devices used at TMS centers, six years for devices in the rental agreement program and the lesser of five years or the remaining life of the underlying facility lease for leasehold improvements.

Software development costs relating to assets to be sold in the normal course of business are included in research and development and are expensed as incurred until technological feasibility is established. After technological feasibility is established, software development costs are capitalized. The Company uses an estimated useful life of two years for capitalized software and amortizes these costs beginning at the product release.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment and finite-lived intangible assets, are tested for impairment when events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Impairment testing requires management to estimate the future net undiscounted cash flows of an asset using assumptions believed to be reasonable. Actual cash flows may differ from the estimates used in the impairment testing. If such assets are considered to be impaired, the Company recognizes an impairment loss when and to the extent that the estimated fair value of an asset is less than its carrying value. For the year ended December 31, 2024, the Company recorded a $4.0 million capitalized software impairment charge within research and development expense on the Consolidated Statement of Operations. The Company has not recorded any impairment of its long-lived assets for the years ended December 31, 2025 and 2023.

Notes Receivable

Notes receivable are reported on the Company's Consolidated Balance Sheets at amortized cost basis. The Company recognizes interest income within other income, net within the Consolidated Statements of Operations.

The Company monitors long-term notes receivable and estimates the allowance for lifetime expected credit losses. Estimates of expected credit losses are based on historical collection experience and other factors, including those related to current market conditions and events.

Deferred Debt Issuance Costs

The Company capitalizes direct costs incurred to obtain debt financing and amortizes these costs to interest expense over the term of the debt using the effective interest method. These costs are recorded as a debt discount and are netted against the related debt on the Company's Consolidated Balance Sheets.

Revenue Recognition

ASC Topic 606, *Revenue from Contracts with Customers* ("Topic 606") is principles-based and provides a five-step model to determine when and how revenue is recognized. The core principle is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Sales and usage-based taxes are excluded from revenues.

Contract Formation

The Company accounts for a contract with a customer when there is a legally enforceable contract between the Company and the customer, the rights of the parties are identified, the contract has commercial substance, and collectability of the contract consideration is probable. For all NeuroStar Advance Therapy System sales, the Company uses either a signed agreement or a binding purchase order as evidence of an arrangement.

Performance Obligations

The unit of account for Topic 606 is the performance obligation. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer or a series of distinct goods or services that are substantially the same and have the same pattern of transfer. A contract's transaction price is allocated to each performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. The majority of the Company's contracts are comprised of one or more of the following performance obligations:

(1) Clinic revenue, which is derived from patient treatments for MDD and other mental health disorders performed at treatment centers based in the United States.

(2) The System, which includes a chair, an electromagnet coil, a monitoring console and accessories. The various components are inputs that function together to deliver a combined output and together form one performance obligation (a NeuroStar Advanced Therapy System). Revenues from the sale of the System are satisfied at the point-in-time when shipped from our premises.

(3) A treatment session is a single use consumable that is delivered via an encrypted activation code and is required in order for a clinician to perform TMS therapy. Revenues from the sale of the treatment sessions are satisfied at the point-in-time when delivered to the customer. The Company determined that sales of treatment sessions are not part of the enforceable rights and obligations of the System sales, except when sold with System sales.

(4) Separately priced extended warranties and when-and-if-available upgrade rights are considered service-type warranties. Warranty services are considered stand-ready obligations satisfied over-time and recognized using a straight-line time-based measurement toward completion.

(5) The System clinical and reimbursement training enable the clinician to provide patient treatment. The trainings are not required in order to operate the System but are required in order to receive a certification from the Company and accordingly are not essential to the functionality of other performance obligations. Training services are recognized at a point-in-time when training is complete, typically simultaneous to or near the time of delivery of the System.

In addition, the Company has determined that there are various perfunctory deliverables such as installation of the System, the technical support hotline and marketing materials which the Company does not separately recognize as revenue nor does the Company accrue the estimated cost of providing these goods and services because they are not material. The Company provides a one-year warranty on all new System sales which were determined to be assurance-type warranties and thus not considered a separate performance obligation. The Company accrues the cost of providing these warranties.

There is no right of return or refund for any of the Company's products or services and the Company has elected to treat shipping and handling as a fulfillment activity and expenses the costs as incurred.

Sales Type Lease

The System is typically purchased but the Company does offer certain customers the option to lease instead. These leases are typically accounted for as a sales-type lease which results in the derecognition of the underlying asset, the recognition of profit or loss on the sale, and the recognition of an investment in sales-type lease. The investment is periodically increased for interest earned and reduced as lease payments are received.

Clinic revenue

Clinic revenue is derived from treatment centers based in the United States, and consists of NeuroStar TMS and SPRAVATO to patients for the treatment of MDD and other mental health disorders.

Clinic revenue is recognized at a point in time upon the performance of services under contracts with customers and represents the consideration to which the Company expects to be entitled. Service fee revenue is determined based on net patient fees, which includes estimates for contractual allowances and discounts. Net patient fees are estimated using an expected value approach where management considers such variables as the average of previous net patient fees received by the applicable payor and fees received by other patients for similar services and management's best estimate leveraging industry knowledge and expectations of third-party payors' fee schedules. Third-party payors include federal and state agencies (under the Medicare programs), managed care health plans and commercial insurance companies.

A key determinant of Topic 606 is estimating the transaction price when variable consideration may arise. Topic 606 allows for the transaction price with variable consideration to be estimated using either the expected value method or the most-likely value method. The Company's estimates are calculated using the expected value method when using the sum of probability-weighted amounts in a range of possible consideration amounts.

Variable consideration also exists in the form of settlements with certain insurance companies, including Medicare, as a result of retroactive adjustments due to audits and reviews. The Company applies constraint to the transaction price, such that net revenues are recorded only to the extent that it is probable that a significant reversal in the amount of the cumulative revenue recognized will not occur in the future. If actual amounts of consideration ultimately received differ from the Company's estimates, the Company adjusts these estimates, which would affect net revenues in the period such variances become known.

Due to the nature of the industry and complexity of the Company's revenue arrangements, where price lists are subject to the discretion of payors, variable consideration exists that may result in price concessions and constraints to the transaction price for the services rendered.

In estimating this variable consideration, the Company uses significant judgment and considers various factors including, but not limited to, the following:

- commercial payors and the administrators of federally-funded healthcare programs exercise discretion over pricing and may establish a base fee schedule for TMS (which is subject to change prior to final settlement) or negotiate a specific reimbursement rate with an individual TMS provider;
- average of previous net service fees received by the applicable payor and fees received by other patients for similar services;
- management's best estimate, leveraging industry knowledge and expectations of third-party payors' fee schedules;
- factors that would influence the contractual rate and the related benefit coverage, such as obtaining pre-authorization of services and determining whether the procedure is medically necessary;
- probability of failure in obtaining timely proper provider credentialing (including re-credentialling) and documentation, in order to bill various payors which may result in enhanced price concessions; and
- variation in coverage for similar services among various payors and various payor benefit plans.

The Company updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period in which such variances become known.

The above factors are not related to the creditworthiness of the large medical insurance companies and government-backed health plans encompassing the significant majority of the Company's payors. The payors (large insurers and government agencies) have the ability and intent to pay, but price lists for the Company's services are subject to the discretion of payors. As a result, the adjustment to reduce the transaction price and constrain the variable consideration is a price concession and not indicative of credit risk on the payors and is not a bad debt expense.

Distribution Agreement

The Company has an exclusive distribution agreement that began in October 2017 with a foreign entity for a period of 7 ½ years with two 2 year renewal options. As consideration for the right to be the sole distributor of the Company's products and use of the Company's intellectual property in the foreign territory, the distributor is required to make certain fixed milestone payments upon contract execution and regulatory approval. In addition, the distributor is required to make variable milestone payments depending upon regulatory reimbursement rates. Furthermore, the distributor is required to make certain minimum purchases based upon sales history and forecasts subject to a ceiling and floor. The Company assessed the potential performance obligations in this contract and concluded that the contract contained the following performance obligations:

- Exclusive distribution and intellectual property license
- NeuroStar TMS Therapy System
- NeuroStar treatment session

The distribution agreement contains pricing for the Company's products and services. The contractual purchase prices were determined to be at the standalone selling prices based on the expected sales volumes of this customer type and thus the Company concluded that this agreement did not contain a separate performance obligation for the material right to discounted Systems and Treatments Sessions. The Company allocated the transaction price through a combination of the cost plus a margin approach and the residual method. For the System and treatment sessions, the Company maximized the use of observable inputs by beginning with average historical contractual selling prices and adjusting on a consistent and rational basis for pricing trends, the customer type and expected sales volumes and the Company's changing cost and margins. Since it was determined that the contractual selling prices for the Company's products and services in the distribution agreement were at the standalone selling prices, the residual consideration which is made up of the fixed and variable milestone payments was allocated to the exclusive distribution and intellectual property license. The exclusive distribution and intellectual property rights were determined to be symbolic intellectual property and thus recognized over time. The Systems and treatment sessions were determined to be performance obligations recognized at a point-in-time when delivered to the distributor.

Contract Estimates

Accounting for the Company's contracts involves the use of significant judgments and estimates including determining the separate performance obligations, allocating the transaction price to the different performance obligations and determining the method to measure the entity's performance toward satisfaction of performance obligations that most faithfully depicts when control is transferred to the customer. The Company allocates the contract's transaction price to each performance obligation using the Company's best estimate of the standalone selling price for each distinct good or service in the contract. The Company maximizes the use of observable inputs by beginning with average historical contractual selling prices and

adjusting as necessary and on a consistent and rational basis for other inputs such as pricing trends, customer types, volumes and changing cost and margins.

Contract Balances

Payment terms typically require payment upon shipment of the System and additional payments as access codes are delivered, which can span several years after the System is first delivered and installed. The timing of revenue recognition compared to billings and cash collections typically results in accounts receivable. However, sometimes customer advances and deposits might be required for certain customers and are recorded as contract liabilities. Changes in the contract asset and liability balances during the years ended December 31, 2025 and 2024 were not materially impacted by any other factors.

As of December 31, 2025, the Company expects to recognize approximately the following percentages of deferred revenue by year:

Year:	Revenue Recognition
2026	91 %
2027	3 %
2028	— %
2029	6 %
Total	100 %

Revenue recognized for the years ended December 31, 2025 and 2024 that was included in the contract liability balance at the beginning of the year was $1.0 million and $1.6 million, respectively, and primarily represented revenue earned from separately priced extended warranties, rent-to-own revenue, milestone revenue, and clinical training.

Customers

Significant customers are those which represent more than 10% of the Company's total revenue. For the years ended December 31, 2024 and 2023, one customer, Greenbrook, accounted for 12% and 15%, respectively, of the Company's revenue. Following the acquisition, Greenbrook is no longer a customer.

Geographical Information

The following geographic data includes revenue generated from the Company's third-party distributors. The Company's revenue was generated in the following geographic regions and by product line for the periods indicated (in thousands):

	Revenues by Geography Year ended December 31,			
	2025		2024	
	Amount	% of Revenues	Amount	% of Revenues
	(in thousands, except percentages)			
U.S.	$ 146,048	98 %	$ 72,488	97 %
International	3,109	2 %	2,402	3 %
Total revenues	$ 149,157	100 %	$ 74,890	100 %

	U.S. Revenues by Product Category Year ended December 31,			
	2025		2024	
	Amount	% of Revenues	Amount	% of Revenues
	(in thousands, except percentages)			
NeuroStar Advanced Therapy System	$ 14,259	10 %	$ 15,267	21 %
Treatment sessions	43,319	30 %	50,832	70 %
Clinic revenue	86,977	59 %	4,445	6 %
Other	1,493	1 %	1,944	3 %
Total U.S. revenues	$ 146,048	100 %	$ 72,488	100 %

	International Revenues by Product Category Year ended December 31,			
	2025		2024	
	Amount	% of Revenues	Amount	% of Revenues
	(in thousands, except percentages)			
NeuroStar Advanced Therapy System	$ 1,276	41 %	$ 826	34 %
Treatment sessions	1,088	35 %	613	26 %
Other	745	24 %	963	40 %
Total International revenues	$ 3,109	100 %	$ 2,402	100 %

	Revenues by Geography Year ended December 31,			
	2024		2023	
	Amount	% of Revenues	Amount	% of Revenues
	(in thousands, except percentages)			
United States	$ 72,488	97 %	$ 69,336	97 %
International	2,402	3 %	2,012	3 %
Total revenues	$ 74,890	100 %	$ 71,348	100 %

	U.S. Revenues by Product Category Year ended December 31,			
	2024		2023	
	Amount	% of Revenues	Amount	% of Revenues
	(in thousands, except percentages)			
NeuroStar Advanced Therapy System	$ 15,267	21 %	$ 16,460	24 %
Treatment sessions	50,832	70 %	50,896	73 %
Clinic revenue	4,445	6 %	—	— %
Other	1,944	3 %	1,980	3 %
Total U.S. revenues	$ 72,488	100 %	$ 69,336	100 %

	International Revenues by Product Category Year ended December 31,			
	2024		2023	
	Amount	% of Revenues	Amount	% of Revenues
	(in thousands, except percentages)			
NeuroStar Advanced Therapy System	$ 826	34 %	$ 629	31 %
Treatment sessions	613	26 %	754	38 %
Other	963	40 %	629	31 %
Total International revenues	$ 2,402	100 %	$ 2,012	100 %

Research and Development Expenses

Research and development activities are expensed as incurred. Costs incurred in obtaining technology licenses are charged immediately to research and development expense if the technology licensed has not reached technological feasibility and has no alternative future uses.

Share-Based Compensation

The Company recognizes the grant-date fair value of share-based awards issued as compensation as expense on a straight-line basis over the requisite service period, which is generally the vesting period of the award. The fair value of restricted stock units is estimated at the time of grant, based on the grant date fair value of the Company's common stock. For awards with a performance condition, compensation cost is recognized when the achievement of the performance condition, such as operating cash flow break even, is considered probable of achievement. The fair value of performance restricted stock units ("PRSUs") with a market condition is estimated at the time of grant and is determined using a risk neutral Monte Carlo simulation valuation model, which requires the use of inputs and assumptions such as the fair value of the underlying common stock, risk free interest rate, and expected volatility. The PRSUs generally vest based on appreciation of the Company's common stock to a certain price as determined by the Company's board of directors measured using a trailing 30-day "volume-weighted" average price of a share of the Company's common stock. The fair value of PRSUs with a performance condition is estimated at the time of grant, based on the grant date fair value of the Company's common stock. The fair value of stock options is estimated at the time of grant using the Black-Scholes option pricing model, which requires the use of inputs and assumptions such as the fair value of the underlying common stock, exercise price of the option, expected term, risk-free interest rate, expected volatility and dividend yield.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. A valuation allowance is recorded to the extent it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Unrecognized income tax benefits represent income tax positions taken on income tax returns that have not been recognized in the consolidated financial statements. The Company recognizes the benefit of an income tax position only if it is more likely than not (greater than 50%) that the tax position will be sustained upon tax examination, based solely on the technical merits of the tax position. Otherwise, no benefit is recognized. The tax benefits recognized are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company accrues interest and related penalties are classified as income tax expense in the Consolidated Statements of Operations. The Company does not anticipate significant changes in the amount of unrecognized income tax benefits over the next year.

4. RECENT ACCOUNTING PRONOUNCEMENTS

In August 2020, the FASB issued Accounting Standards Update ("ASU") 2020-06, *Debt with Conversion and Other Options and Derivatives and Hedging - Contracts in Entity's Own Equity (*"ASU 2020-06"). ASU 2020-06 eliminates the beneficial conversion and cash conversion accounting models for convertible instruments. It also amends the accounting for certain contracts in an entity's own equity that are currently accounted for as derivatives because of specific settlement provisions. The new guidance also modified how particular convertible instruments and certain contracts that may be settled in cash or shares impact the diluted earnings per share computation. ASU 2020-06 is effective for fiscal years beginning after December 15,

2023, including interim periods within those annual periods. The adoption of this guidance did not have a significant impact on the consolidated financial statements and related disclosures.

In November 2023, the FASB issued Accounting Standards Update ("ASU") 2023-07, *Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), which requires public companies to disclose for each reportable segment the significant expense categories and amounts for such expenses. ASU 2023-07 is effective for annual periods beginning December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Accordingly, we have expanded our consolidated financial statement disclosures in order to comply with the guidance.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures* ("ASU 2023-09"), which requires public business entities to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. This ASU was adopted in the annual period ended December 31, 2025 using the retrospective method. Accordingly, we have expanded our consolidated financial statement disclosures to comply with the guidance.

In November 2024, the FASB issued ASU 2024-03, *Income Statements–Reporting Comprehensive Income–Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), which requires enhanced disclosure of income statement expense categories to improve transparency and provide financial statement users with more detailed information about the nature, amount, and timing of expenses impacting financial performance. ASU 2024-03 is effective for the Company for the annual reporting period beginning after December 15, 2026, and interim periods beginning after December 15, 2027. Early adoption is permitted. The amendments in ASU 2024-03 may be adopted either on a prospective basis to financial statements issued for reporting periods after the effective date or on a retrospective basis to all periods presented. The Company is currently evaluating the impact of the adoption of ASU 2024-03, in its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The guidance provides a practical expedient that an entity may assume that conditions as of the balance sheet date remain unchanged over the remaining life of the asset when estimating expected credit losses for current accounts receivable and current contract assets arising from revenue transactions from contracts with customers. The guidance is effective in the first quarter of 2026 with early adoption permitted, to be applied on a prospective basis. The Company does not expect this guidance will have material impact on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software Targeted Improvements to the Accounting for Internal-Use Software.* The amendments modify the accounting for internal-use software development costs by replacing the existing project stage framework with a principles-based model for determining when capitalization of development costs should begin. The guidance is effective for annual reporting periods beginning after December 15, 2027, including interim periods within those annual reporting periods. Early adoption is permitted. The Company is currently evaluating the impact that adoption of this guidance will have on its consolidated financial statements.

Other than the items noted above, there have been no new accounting pronouncements not yet effective or adopted in the current year that we believe have a material impact, or potential material impact, to our consolidated financial statements.

5. ACQUISITION

Effective as of December 9, 2024, the Company completed the acquisition of Greenbrook whereby the Company acquired all of the issued and outstanding common shares of Greenbrook, which became a wholly owned subsidiary. The results of operations and financial position of Greenbrook are included in the Company's consolidated financial statements from the date of acquisition.

Greenbrook operates treatment centers across the United States, offering both NeuroStar Advanced Therapy and SPRAVATO for the treatment of MDD and other mental health disorders. The transaction strengthened the Company's ability to expand patient access to mental health treatments by capitalizing on the consolidated Company's stronger revenue base and cost synergy opportunities.

In connection with the acquisition, the Company issued 25,304,971 shares of common stock and paid $4.2 million in cash consideration. The aggregate fair value of the common stock issued was $29.1 million. The aggregate fair value of the non-controlling interest acquired was $4.1 million and represents the equity value of Greenbrook not acquired in the transaction, stated at its estimated fair value determined by using an income method approach. The acquisition meets the criteria to be accounted for as a business in accordance with ASC 805, *Business Combinations* ("ASC 805"). This method requires, among other things, that assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date and that the difference between the fair value of the consideration paid for the acquired entity and the fair value of the net assets acquired be recorded as goodwill, which is tested at least annually for impairment. The allocation of the purchase price to the assets acquired and liabilities assumed was based on preliminary information as of the acquisition date and further adjusted within the measurement period.

In accordance with the acquisition method of accounting for a business combination, the purchase price of $38.8 million was allocated to the assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition as follows (in thousands, except share data):

Consideration transferred:		
Common stock	$	29,101
Cash consideration		4,175
Settlement of preexisting relationships		5,538
Total consideration transferred	$	38,814
Assets acquired and liabilities assumed at fair value:		
Cash and Cash Equivalents	$	622
Restricted Cash		1,000
Accounts Receivable		5,429
Prepaid Expenses and Other Assets		1,807
Property and Equipment		4,420
Intangible Assets		19,690
Operating Right of Use Asset		24,835
Accounts Payable and Accrued Expenses		(12,386)
Other Payables		(671)
Deferred and Contingent Consideration		(1,000)
Operating Lease Liabilities		(24,442)
Total identifiable net assets	$	19,304
Non-controlling interest		(4,112)
Fair value of net assets acquired less noncontrolling interests acquired	$	15,192
Goodwill		23,622
	$	38,814

The Company incurred $3.8 million in legal and consulting fees related to the acquisition which were expensed as incurred and recognized in general and administrative expenses in the Consolidated Statement of Operations.

The purchase price was allocated to the tangible and identifiable intangible assets acquired and liabilities assumed based on their preliminary estimated fair values at the acquisition date. The identifiable intangible assets included management services agreements of $17.1 million and tradename of $2.6 million and are being amortized on a straight-line basis over a range of 17-21 years and 5 years, respectively. The management services agreements and tradename were valued using a multi-period excess earnings method and the relief from royalty method, respectively. These valuation methods are specific forms of the Income Approach which is a valuation technique that drives value by estimating the fair value of after-tax cash flows attributable to the acquired intangibles. The valuation methods require several judgments and assumptions to determine the fair value of the intangible assets, including growth rates, discount rates, expected levels of cash flows, and tax rate. Key assumptions used included revenue projections, a tax rate of 25%, a discount rate of 23%, and a royalty rate of 1%.

During the year ended December 31, 2025, the Company recorded measurement period adjustments related to its acquisition, resulting in a $1.3 million increase to the fair value of liabilities assumed, a $3.4 million adjustment to accounts receivable, a $0.1 million to property and equipement and a $0.1 million adjustment to prepaid expenses and other current assets.

Cumulative measurement period adjustments recorded through December 9, 2025 resulted in a $4.99 million net increase to goodwill. These adjustments were recorded to reflect new information obtained about facts and circumstances that existed as of the acquisition date. As of December 31, 2025, the purchase price allocation was considered complete.

Goodwill is attributable to the workforce of Greenbrook as well as the benefits the Company expects to realize, as Greenbrook complements the Company's business and will provide various synergies.

For the year ended December 31, 2024, Greenbrook contributed approximately $4.4 million of revenue and approximately $1.7 million of net loss to the Company's operating results.

Unaudited Pro Forma Financial Information

The following table reflects the pro forma operating results for the Company which gives effect to the acquisition of Greenbrook as if it had occurred on January 1, 2023. The pro forma results are based on assumptions that the Company believes are reasonable under the circumstances. The pro forma results are not necessarily indicative of future results. The pro forma financial information includes the historical results of the Company and Greenbrook with eliminations for all intercompany transactions and excludes the effects of any synergies or cost reduction initiatives related to the acquisition Greenbrook.

	Unaudited Pro Forma Year ended December 31,	
	2024	2023
Revenue	$ 137,110	$ 134,740
Net loss	$ (75,290)	$ (66,732)

6. INTANGIBLE ASSETS

Intangible assets consist of the following as of December 31, 2025 and 2024 (in thousands):

	Useful Life	As of December 31, 2025			
		Gross Value	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life
Management services agreements	17-21 years	$ 17,100	$ (993)	$ 16,107	18 years
Trade name	5 years	2,590	(548)	2,042	4 years
		$ 19,690	$ (1,541)	$ 18,149	

	Useful Life	As of December 31, 2024			
		Gross Value	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life
Management services agreements	17-21 years	$ 17,100	$ (30)	$ 17,070	19.0 years
Trade name	5 years	2,590	(54)	2,536	5.0 years
		$ 19,690	$ (84)	$ 19,606	

Amortization expense for intangible assets was $1.5 million and $0.1 million during the year ended December 31, 2025 and 2024 respectively and is reflected in general and administrative expense on the consolidated statements of operations.

Amortization expense over the remaining life of the intangible assets will be recognized as follows (in thousands):

Year	Amortization expense
2026	$ 1,457
2027	1,457
2028	1,457
2029	1,428
2030	939
Thereafter	11,411
	$ 18,149

7. FAIR VALUE MEASUREMENT AND FINANCIAL INSTRUMENTS

The carrying values of cash equivalents, accounts receivable, prepaid and other current assets, and accounts payable on the Company's Consolidated Balance Sheets approximated their fair values as of December 31, 2025 and 2024 due to their short-term nature. The carrying values of the Company's current credit facility approximated its fair value as of December 31, 2025 and 2024 due to its variable interest rate. The carrying value of the Company's notes receivable approximated its fair value as of December 31, 2025 and 2024 due to its variable interest rate.

The Perceptive First Amendment (as defined below) included contingently issuable warrants of up to 900,000 shares that did not meet equity classification. Accordingly, the Company classified the warrants as a liability at their fair value and will adjust the warrants to their fair value at each reporting period. At December 31, 2025 the fair value of the liability-classified warrants was de minimis.

Certain of the Company's financial instruments are measured at fair value using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy maximizes the use of observable inputs and

minimizes the use of unobservable inputs. The three levels of inputs used to measure fair value are as follows:

Level 1: Inputs are quoted prices for identical instruments in active markets.

Level 2: Inputs are quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; or model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3: Inputs are unobservable and reflect the Company's own assumptions, based on the best information available, including the Company's own data.

The following tables set forth the carrying amounts and fair values of the Company's financial instruments as December 31, 2025 and 2024 (in thousands):

	December 31, 2025				
			Fair Value Measurement Based on		
	Carrying Amount	Fair Value	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets					
Money market funds (cash equivalents)	$ 436	$ 436	$ 436	$ —	$ —
Money market funds (restricted cash and cash equivalents)	$ 5,500	$ 5,500	$ 5,500	$ —	$ —

	December 31, 2024				
			Fair Value Measurement Based on		
	Carrying Amount	Fair Value	Quoted Prices In Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets					
Money market funds (cash equivalents)	$ 5,200	$ 5,200	$ 5,200	$ —	$ —

8. ACCOUNTS RECEIVABLE

The following table presents the composition of accounts receivable, net as of December 31, 2025 and 2024 (in thousands):

	December 31,	
	2025	2024
Gross accounts receivable - trade	$ 17,512	$ 25,285
Less: Allowances for credit losses	(1,043)	(1,930)
Accounts receivable, net	$ 16,469	$ 23,355

The following table presents a roll forward of the allowance for credit losses (in thousands):

	Balance at Beginning of Period	Bad Debt Expense Recognized	Write-offs of Uncollectible Balances	Balance at End of Period
Year ended December 31, 2023	$ (1,648)	(390)	1,243	$ (795)
Year ended December 31, 2024	$ (795)	(2,055)	920	$ (1,930)
Year ended December 31, 2025	$ (1,930)	(587)	1,474	$ (1,043)

9. PROPERTY AND EQUIPMENT AND CAPITALIZED SOFTWARE

The following table presents the composition of property and equipment, net as of December 31, 2025 and 2024 (in thousands):

	December 31,	
	2025	2024
Laboratory equipment	$ 676	$ 626
Office equipment	495	495
Auto	23	23
Computer equipment and software	873	806
Manufacturing equipment	618	605
Clinical equipment	278	278
Leasehold improvements	1,608	1,608
TMS devices	3,790	4,447
Rental equipment	157	598
Property and equipment, gross	8,518	9,486
Less: Accumulated depreciation	(4,052)	(3,244)
Property and equipment, net	$ 4,466	$ 6,242

As of December 31, 2025 and 2024, the Company had capitalized software costs, net of $0.8 million and $0.4 million, respectively, which are included in other assets on the Consolidated Balance Sheets. During the year ended December 31, 2025, the Company disposed of $1.1 million of rental equipment and TMS devices with a net book value of $0.1 million. During the year ended December 31, 2024, the Company disposed of $0.4 million of fully depreciated property and equipment. For the year ended December 31, 2024, the Company recorded a $4.0 million capitalized software impairment charge within research and development expense on the Consolidated Statement of Operations. The Company has not recorded any impairment of its long-lived assets for the years ended December 31, 2025 and 2023.

Depreciation and amortization expense related to property and equipment and capitalized software costs was $2.0 million, $2.1 million and $2.0 million for the years ended December 31, 2025, 2024 and 2023, respectively.

10. NOTES RECEIVABLE

Greenbrook TMS Inc.

On March 31, 2023, the Company entered into a Secured Promissory Note and Guaranty Agreement (the “Promissory Note”) with TMS Neurohealth Centers Inc. (the “Maker”) and Greenbrook TMS Inc. and its subsidiaries, excluding the Maker (the “Guarantors”), in the principal amount of $6.0 million for a period of four years.

The Promissory Note interest rate equaled the sum of (a) the floating interest rate of daily secured overnight financing rate as administered by the Federal Reserve Bank of New York on its website ("SOFR") plus (b) 7.65%.

On December 9, 2024, pursuant to the Arrangement, the Promissory Note outstanding principal amount of $3.6 million was settled and recorded as additional purchase consideration.

Interest income recognized by the Company related to notes receivable was $0.5 million and $0.6 million for the years ended December 31, 2024 and 2023, respectively, and is included within other income, net on the Consolidated Statements of Operations.

11. LEASES

Lessee:

The Company has operating leases for its corporate headquarters, treatment centers, a training facility, and office equipment. The corporate headquarters is located in Malvern, Pennsylvania, where the Company leases an approximately 42,000 square foot facility comprising office and warehouse space.

During the year ended December 31, 2025, the Company executed a lease modification for its Malvern, Pennsylvania facility, extending the lease term through June 2033 for 32,000 square feet of the premises.

The Company leases an approximately 9,600 square foot facility in Charlotte, North Carolina as a training facility for its NeuroStar Advanced Therapy Systems. The lease ends in September 2027. The Company has an option to extend the lease on its training facility for an additional one-year term; however, the Company has determined it is not reasonably certain to exercise the option at this time after assessing contract, asset, entity and market conditions present upon lease commencement.

The Company has lease agreements related to its treatment centers. These lease agreements range from "month-to-month" to seven years in length.

Operating lease rent expense was $9.5 million, $1.0 million, and $0.8 million for the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, the weighted-average remaining lease term of operating leases was 5.6 years and the weighted-average discount rate was 12.2%.

The following table presents the supplemental cash flow information as a lessee related to leases for the years ended December 31, 2025, 2024 and 2023 (in thousands):

	Year ended December 31,		
	2025	2024	2023
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 8,069	$ 1,111	$ 1,077

The following table sets forth by year the required future payments of operating lease liabilities as of December 31, 2025 (in thousands):

	Amount
2026	$ 7,794
2027	6,506
2028	4,913
2029	4,260
2030	3,278
Thereafter	7,662
Total lease payments	34,413
Less imputed interest	(9,917)
Present value of operating lease liabilities	$ 24,496

Lessor sales-type leases:

Certain customers have purchased NeuroStar Advanced Therapy Systems on a rent-to-own basis. The lease term is two to four years with a customer option to purchase the NeuroStar Advanced Therapy System at the end of the lease or automatic transfer of ownership of the NeuroStar Advanced Therapy System at the end of the lease.

The following table sets forth the profit recognized on sales-type leases (in thousands):

	Year ended December 31,		
	2025	2024	2023
Profit recognized at commencement, net	$ 107	$ 45	$ 129
Interest income	—	—	—
Total sales-type lease income	$ 107	$ 45	$ 129

The following table sets forth a maturity analysis of the undiscounted lease receivables related to sales-type leases as of December 31, 2025 (in thousands):

	December 31, 2025
2026	$ 225
2027	98
Total sales-type lease receivables	$ 323

As of December 31, 2025 and 2024, the carrying amount of the lease receivables was $0.3 million. The Company does not have any unguaranteed residual assets.

Lessor operating leases:

NeuroStar Advanced Therapy Systems leased to customers subsequent to January 1, 2019 for which collection is not probable are accounted for as operating leases. For the years ended December 31, 2025, 2024 and 2023, the Company recognized operating lease income of $0.2 million, $0.1 million and $0.2 million respectively.

The Company maintained rental equipment, net of $0.1 million and $0.3 million as of December 31, 2025 and 2024, respectively which are included in Property and equipment, net on the Consolidated Balance Sheets. Rental equipment depreciation expense was $0.06 million, $0.09 million and $0.09 million for the years ended December 31, 2025, 2024 and 2023, respectively.

12. PREPAID COMMISSION EXPENSE

The Company pays a commission on both NeuroStar Advanced Therapy System sales and treatment session sales. Since the commission paid for NeuroStar Advanced Therapy System sales is not commensurate with the commission paid for treatment sessions, the Company capitalizes commission expense associated with NeuroStar Advanced Therapy System commissions paid that is incremental to specifically anticipated future treatment session orders. In developing this estimate, the Company considered its historical treatment session sales and customer retention rates, as well as technology development life cycles and other industry factors. These costs are periodically reviewed for impairment.

NeuroStar Advanced Therapy System commissions are deferred and amortized on a straight-line basis over a seven year period equal to the average customer term, which the Company deems to be the expected period of benefit for these costs.

On the Company's Consolidated Balance Sheets, the current portion of capitalized contract costs is presented in current portion of prepaid commission expense, while the long-term portion is included in prepaid commission expense. Amortization expense was $3.3 million, $2.9 million and $2.3 million for the years ended December 31, 2025, 2024, and 2023, respectively, and presented within sales and marketing in the Consolidated Statements of Operations.

13. ACCRUED EXPENSES

The following table presents the composition of accrued expenses as of December 31, 2025 and 2024 (in thousands):

	December 31, 2025	December 31, 2024
Compensation and related benefits	$ 8,610	$ 7,952
Consulting and professional fees	1,122	1,579
Research and development expenses	156	421
Sales and marketing expenses	724	523
Warranty	179	232
Sales and other taxes payable	611	619
Other	914	1,492
Accrued expenses	$ 12,316	$ 12,818

14. DEBT

The following table presents the composition of debt as of December 31, 2025 and 2024 (in thousands):

	December 31, 2025	December 31, 2024
Outstanding principal	$ 70,000	$ 60,000
Less debt discounts	(4,193)	(4,849)
Total debt, net	65,807	55,151
Less current portion	—	—
Long-term debt, net	$ 65,807	$ 55,151

For the year ended December 31, 2025, the Company recognized interest expense of $8.4 million, of which $7.6 million was cash and $0.8 million was non-cash interest expense related to the amortization of deferred debt issuance costs and accrual of final payment fees.

For the year ended December 31, 2024, the Company recognized interest expense of $7.3 million, of which $6.5 million was cash and $0.8 million was non-cash interest expense related to the amortization of deferred debt issuance costs and accrual of final payment fees.

For the year ended December 31, 2023, the Company recognized interest expense of $5.4 million, of which $4.8 million was cash and $0.6 million was non-cash interest expense related to the amortization of deferred debt issuance costs and accrual of final payment fees.

Perceptive Credit Facility

On July 25, 2024, the Company entered into a Credit Agreement and Guaranty with Perceptive Credit Holding IV, LP ("Perceptive") as collateral agent and other lenders defined in the agreement (the "Perceptive Facility") which was used to partially repay the Company's previous $60.0 million credit facility with SLR Investment Corp. (formerly known as Solar Capital Ltd.) ("Solar" and such facility, the "Solar Facility").

The Perceptive Facility permits the Company to borrow up to an aggregate amount of $90.0 million in three tranches of term loans, a "Tranche 1 Loan", a "Tranche 2 Loan" and a "Tranche 3 Loan." On July 25, 2024, the Company borrowed an aggregate amount of $50.0 million, which was the aggregate amount available under the Tranche 1 Loan. Under the Tranche 2 Loan, the Company is permitted to borrow, at its election, up to an aggregate amount of $15.0 million, (i) upon the Company achieving a specified amount of trailing twelve months net revenue, and (ii) assuming there has been no event of default under the Perceptive Facility prior to such election. The Tranche 2 Loan must be borrowed on or before January 31, 2026. Under the Tranche 3 Loan, the Company may request to borrow, at the consent of the Majority Lenders (as defined in the Perceptive Facility), up to an aggregate amount of $25.0 million. The Tranche 3 Loan is available until June 30, 2026. There are no scheduled repayments of the principal on the Tranche 1 Loan, the Tranche 2 Loan and Tranche 3 Loan prior to the maturity date. All amounts borrowed under the Perceptive Facility are due on July 25, 2029.

Each of the Tranche 1 Loan, Tranche 2 Loan and Tranche 3 Loan accrues interest from the date of borrowing through the date of repayment at a floating per annum rate of interest equal to the sum of 7.00% plus the greater of (a) 4.50% and (b) One-Month Term SOFR (as defined in the Perceptive Facility).

If the Company prepays either the Tranche 1 Loan, Tranche 2 Loan or Tranche 3 Loan prior to their scheduled maturity date, the Company will also be required to pay prepayment fees to Perceptive equal to 6% of the principal amount of such term loan then-prepaid if prepaid on or before the first anniversary of the closing date, 5% of the principal amount of such term loan then-prepaid if prepaid after the first anniversary and on or before the second anniversary of the closing date, 4% of the principal amount of such term loan then-prepaid if prepaid after the second anniversary and on or before the third anniversary of the closing date, and 3% of the principal amount of such term loan then-prepaid if prepaid after the third anniversary and on or before the fourth anniversary of the closing date.

The Company's obligations under the Perceptive Facility are secured by a first priority security interest in substantially all of the Company's assets, including its intellectual property. The Perceptive Facility requires the Company to comply with a quarterly minimum trailing revenue covenant commencing March 2025 and a minimum liquidity covenant as well as affirmative and negative covenants.

The Perceptive Facility contains events of default, including, without limitation, events of default upon: (i) failure to make payment pursuant to the terms of the agreement; (ii) violation of covenants; (iii) material adverse changes to the Company's business; (iv) insolvency; (v) material cross-defaults; (vi) significant judgments, orders, or decrees for payments by the Company; (vii) incorrectness of representations and warranties; (viii) significant adverse events related to the Employee Retirement Income Security Act of 1974; (ix) failure by the Company to be registered with the SEC in good standing; or (x) failure by the Company to maintain a valid and perfected lien on the collateral securing the borrowing.

As consideration for the Perceptive Facility, the Company agreed to issue to Perceptive warrants to purchase up to 1,462,500 shares of the Company's common stock, with a warrant exercisable into 1,125,000 shares of the Company's common stock issued on the closing date (the "Initial Warrant"). The per share exercise price for the Initial Warrant is equal to the lower of (x) the 10-day volume weighted average price of the Company's common stock on the business day immediately prior to the closing date and (y) the 10-day volume weighted average price of the common stock ended on August 31, 2024. In addition to the Initial Warrant, an additional warrant will be issued for 337,500 shares of common stock concurrently with the borrowing of the Tranche 2 Loan. The per share exercise price for the additional warrant will be equal to the exercise price of the Initial Warrant. Each warrant will be exercisable, in whole or in part, until the tenth anniversary of the applicable date of issuance.

Effective as of December 9, 2024, the Company amended the Perceptive Facility and borrowed against the Tranche 3 Loan in a principal amount of $10.0 million and used the proceeds thereof to finance, in part, the operations of the combined enterprise after the acquisition of Greenbrook and the related transactions included in the Arrangement (the "Perceptive First Amendment") As consideration for Tranche 3 Loan borrowing, the Company issued warrants to purchase 600,000 shares of the Company's common stock at a per share exercise price of $0.94.

The Company calculated the issuance date fair value of the warrants using the Black-Scholes option pricing model, which resulted in a fair value of $2.6 million. Accordingly, the Company allocated the proceeds from the Perceptive Facility on a relative fair value basis resulting in $2.5 million allocated to the warrants.

On March 26, 2025, the Company entered into Amendment No. 2 to Credit Agreement and Guaranty by and between the Company, as the borrower, and Perceptive, in its capacities as administrative agent for the lenders and the majority lender, in which the parties agreed to revise net revenue covenant to align with the Company's pre-existing operating plan for the first quarter of 2025.

On August 1, 2025, the Company entered into Amendment No. 3 to Credit Agreement and Guaranty (the "Perceptive Third Amendment"). Pursuant to the Perceptive Third Amendment, the Company borrowed $10.0 million under Tranche 2, lowered the minimum liquidity balance requirement to $2.0 million through September 30, 2026, and issued Perceptive a warrant certificate exercisable into 225,000 shares of the Company's common stock.

As of December 31, 2025, the Company had $70.0 million of borrowings outstanding under the Perceptive Facility, which has a final maturity in July 2029. The interest rate on borrowings under the credit facility is variable and resets monthly.

On January 15, 2026, the Company entered into Amendment No. 4 to Credit Agreement and Guaranty (the "Perceptive Fourth Amendment"). The Perceptive Fourth Amendment amended the Perceptive Facility to modify the requirements of subsidiaries joining as an "Obligor" and "Subsidiary Guarantor" thereunder.

On March 12, 2026, the Company entered into Amendment No. 5 to Credit Agreement and Guaranty (the "Perceptive Fifth Amendment"). Under the Perceptive Fifth Amendment, Neuronetics made a one-time principal payment of $5.0 million, and Neuronetics and Perceptive agreed to adjustments to the existing debt covenants, see "Note 26. Subsequent Events" for further discussion on the Perceptive Credit Agreement.

The Company was in compliance with the covenants under the Perceptive Facility at December 31, 2025.

The following table sets forth by year our required future principal payments under the term loan portion of the Perceptive Facility:

Year:	Principal Payments
2026	$ —
2027	—
2028	—
2029	70,000
Total principal payments	$ 70,000

Solar Credit Facility

On March 2, 2020 the Company entered into a Loan and Security Agreement with Solar as collateral agent and other lenders as defined in the Solar Facility. The Solar Credit Facility had various amendments.

On March 7, 2024, the Company entered into a sixth amendment (the “Solar Sixth Amendment”) to the Solar Facility.

Under the Solar Sixth Amendment, Solar (i) waived the specified events with respect to the Company’s non-compliance with the required revenue under the net product revenue covenant and (ii) amended the financial covenants to reflect current projections.

As of June 30, 2024, the Company was not in compliance with its minimum net product revenue covenant under the Solar Facility. The amount of borrowing affected by this noncompliance was $60 million.

On July 25, 2024 following the Company’s entry into Perceptive Facility, the Company prepaid in full all outstanding obligations under and terminated the Solar Facility. In connection with this prepayment, the Company paid total consideration of $64.7 million, which consisted of (i) $60.0 million of remaining principal amount outstanding, (ii) $0.5 million of accrued and unpaid interest, (iii) $3.0 million in connection with the final payment fee, and (iv) $1.2 million in connection with the prepayment fee. The Company funded the prepayment of the Solar Facility using proceeds from the Perceptive Facility and cash on hand.

A loss on extinguishment of debt amounting to $4.4 million was recorded during the three months ended September 30, 2024, related to the repayment of the Solar Facility. This included $1.2 million of early prepayment fees and $3.2 million of deferred financing expense related to extinguishment of debt. Additionally the Company incurred $2.8 million to Solar for exit fees in relation to the acquisition.

15. STOCKHOLDERS’ EQUITY

Common Stock

The Company’s amended and restated certificate of incorporation as of December 31, 2024 authorized the issuance of 250.0 million shares of common stock, $0.01 par value per share, of which 69.0 million and 55.7 million were issued and outstanding as of December 31, 2025 and December 31, 2024, respectively.

The following table summarizes the total number of shares of the Company's common stock issued and reserved for issuance as of December 31, 2025 and 2024 (in thousands):

	December 31, 2025	December 31, 2024
Shares of common stock issued	68,994	55,679
Shares of common stock reserved for issuance for:		
Common stock warrants outstanding	1,950	1,725
Stock options outstanding	1,099	1,237
Restricted stock units outstanding	5,627	5,253
Shares available for grant under stock incentive plans	4,314	3,596
Shares available for sale under employee stock purchase plan	2,181	1,624
Total shares of common stock issued and reserved for issuance	84,165	69,114

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Holders of common stock are entitled to receive any dividends that the Company's board of directors may declare out of funds legally available for that purpose on a non-cumulative basis. The Company has never paid, and for the foreseeable future does not expect to pay, a dividend on its common stock.

Common Stock Warrants

The following table summarizes the Company's outstanding common stock warrants as of December 31, 2025 and 2024:

December 31, 2025 Warrants Outstanding (in thousands)	Exercise Price	Expiration Date
1,125	$ 0.94	July-2034
600	$ 0.94	Dec-2034
225	$ 0.94	August-2035
1,950		

December 31, 2024 Warrants Outstanding (in thousands)	Exercise Price	Expiration Date
1,125	$ 0.94	July-2034
600	$ 0.94	Dec-2034
1,725		

During the year ended December 31, 2025, we issued a warrant certificate exercisable into 225 shares to Perceptive, there were no exercises or cancellations of warrants.

Common Stock Offering

On February 10, 2025, the Company completed a secondary public offering of its common stock in which the Company issued and sold 9,200,000 shares of its common stock, which included shares pursuant to an option granted to the underwriter to purchase additional shares, at a public offering price of $2.25 per share. The Company received net proceeds of approximately $18.9 million after deducting underwriting discounts, commissions and estimated offering expenses.

On July 3, 2025, the Company entered into the Distribution Agreement, pursuant to which the Company may offer and sell shares of its common stock having an aggregate offering price of up to $50.0 million from time to time through the ATM Program. Sales under the Distribution Agreement will be made pursuant to the Company's Registration Statement on Form S-3 (File No. 333-288526) and a related prospectus and prospectus supplement.

During the year ended December 31, 2025, the Company sold an aggregate of 2,261,835 shares of its common stock under the ATM Program at an average price of $3.68 per share, generating gross proceeds of approximately $8.3 million. The Company paid aggregate sales commissions of $0.3 million and incurred additional offering-related expenses of $0.2 million. As a result, net proceeds from the offering were $7.8 million.

As of December 31, 2025, the Company had approximately $41.7 million remaining available for future issuance under the ATM Program.

16. LOSS PER SHARE

The Company's basic loss per common share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period. The Company's restricted stock awards (non-vested shares) are issued and outstanding at the time of grant but are excluded from the Company's computation of weighted-average shares outstanding in the determination of basic loss per share until vesting occurs.

A net loss cannot be diluted, so when the Company is in a net loss position, basic and diluted loss per common share are the same. If in the future the Company achieves profitability, the denominator of a diluted earnings per common share calculation will include both the weighted-average number of shares outstanding and the number of common stock equivalents, if the inclusion of such common stock equivalents would be dilutive. Dilutive common stock equivalents potentially include warrants, stock options, non-vested restricted stock awards and non-vested performance restricted stock units using the treasury stock method, along with the effect, if any, from the potential conversion of outstanding securities, such as convertible preferred stock.

The following potentially dilutive securities outstanding as of December 31, 2025, 2024 and 2023 have been excluded from the denominator of the diluted loss per share of common stock outstanding calculation (in thousands):

	December 31,		
	2025	2024	2023
Stock options	1,099	1,237	1,270
Non-vested PRSUs	1,398	1,700	395
Non-vested restricted stock units	4,229	3,553	2,965
Common stock warrants	1,950	1,725	41

17. SHARE-BASED COMPENSATION

The amount of share-based compensation expense recognized by the Company by location in its Consolidated Statements of Operations for the years ended December 31, 2025, 2024 and 2023 is as follows (in thousands):

	Years ended December 31,		
	2025	2024	2023
Cost of revenues	$ 108	$ 140	$ 140
Sales and marketing	1,176	1,411	2,330
General and administrative	4,900	3,407	4,172
Research and development	664	644	677
Total	$ 6,848	$ 5,602	$ 7,319

2018 Equity Incentive Plan

In June 2018, the Company adopted the 2018 Plan, which authorized the issuance of up to 1.4 million shares, subject to an annual 4% increase based on the number of shares of common stock outstanding, in the form of restricted stock, stock appreciation rights and stock options to the Company's directors, employees and consultants. The amount and terms of grants are determined by the Company's board of directors. All stock options granted to date have had exercise prices equal to the fair value, as determined by the closing price as reported by the Nasdaq Global Market, of the underlying common stock on the date of grant. The contractual term of stock options is up to 10 years, and stock options are exercisable in cash or as otherwise determined by the board of directors. Generally, stock options vest 25% upon the first anniversary of the date of grant and the remainder ratably monthly thereafter for 36 months. Restricted stock units generally vest ratably in three equal installments on the first, second and third anniversaries of the grant date. PRSUs generally vest based on attainment of performance metrics, such as achievement of cash flow breakeven or retention of key employees as determined by the Company's board of directors. The fair value of the PRSUs based upon the achievement of certain share prices are determined using a risk neutral Monte Carlo simulation valuation model. As of December 31, 2025, there were 3.4 million shares available for future issuance under the 2018 Plan.

2020 Inducement Incentive Plan

In December 2020, the Company adopted the 2020 Inducement Incentive Plan, which authorized the issuance of up to 0.4 million shares in the form of stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance stock awards and other stock awards to eligible employees who satisfy the standards for inducement grants under Nasdaq global market rules. In March 2022, the Company's board of directors approved an additional 0.5 million shares for issuance under the plan. An individual who previously served as an employee or director of the Company is not eligible to receive awards under this plan other than the following a bona fide period of non-employment. The amount and terms of grants are determined by the Company's board of directors. In October 2025 the Company's board of directors approved an additional 0.6 million shares for issurance under the plan. During the year ended December 31, 2025, grants made under the inducement pool totaled 0.7 million shares. As of December 31, 2025, there were 0.9 million shares available for future issuance under the 2020 Inducement Incentive Plan.

Stock Options

The following table summarizes the Company's stock option activity for the years ended December 31, 2025, 2024 and 2023:

	Number of Shares under Option (in thousands)	Weighted average Exercise Price per Option	Weighted average Remaining Contractual Life (in years)	Aggregate average Intrinsic Value (in thousands)
Outstanding at December 31, 2022	1,301	$ 4.07		
Granted	—	$ —		
Exercised	(1)	$ 1.63		
Forfeited	(30)	$ 11.67		
Outstanding at December 31, 2023	1,270	$ 3.90		
Granted	—	$ —		
Exercised	(2)	$ 0.96		
Forfeited	(31)	$ 9.90		
Outstanding at December 31, 2024	1,237	$ 3.75		
Granted	—	$ —		
Exercised	(7)	$ 1.73		
Forfeited and Expired	(131)	$ 11.12		
Outstanding at December 31, 2025	1,099	$ 2.89	4.2	$ —
Exercisable at December 31, 2025	1,099	$ 2.89	4.2	$ —
Vested and expected to vest at December 31, 2025	1,099	$ 2.89	4.2	$ —

The Company did not record any expense for share-based comp related to stock options for the year ended December 31, 2025 The Company recognized share-based compensation expense related to stock options of $0.1 million and $0.4 million for the years ended December 31, 2024 and 2023, respectively. As of December 31, 2025, there was no remaining unrecognized compensation cost related to non-vested stock options. The total intrinsic value of stock options exercised during the years ended December 31, 2025, 2024 and 2023 was $0.0 million.

Restricted Stock Units

The following table summarizes the Company's restricted stock unit and performance restricted stock unit activity for the years ended December 31, 2025, 2024 and 2023:

	Non-vested Restricted Stock Units (in thousands)	Weighted average Grant-date Fair Value	Non-vested PRSUs (in thousands)	Weighted average Grant-date Fair Value
Non-vested at December 31, 2022	3,506	$ 4.29	395	$ 6.77
Granted	1,674	$ 4.68	—	$ —
Vested	(1,823)	$ 4.32	—	$ —
Forfeited	(392)	$ 5.50	—	$ —
Non-vested at December 31, 2023	2,965	$ 4.37	395	$ 6.77
Granted	2,453	$ 2.47	1,305	$ 1.14
Vested	(1,464)	$ 4.37	—	$ —
Forfeited	(401)	$ 4.00	—	$ —
Non-vested at December 31, 2024	3,553	$ 3.10	1,700	$ 2.45
Granted	3,151	$ 3.62	1,251	$ 3.37
Vested	(1,586)	$ 3.31	(303)	$ 1.55
Forfeited	(889)	$ 3.45	(1,250)	$ 3.79
Non-vested at December 31, 2025	4,229	$ 3.33	1,398	$ 3.81

The Company recognized share-based compensation expense related to restricted stock units and performance restricted stock units of $6.8 million, $5.5 million, and $6.9 million during the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, there was $11.9 million of unrecognized compensation cost related to non-vested restricted stock units and performance restricted stock units that the Company expects to recognize over a weighted-average period of 1.9 years. The total fair value at the vesting date of restricted stock units and performance restricted stock units vested during the years ended December 31, 2025, 2024 and 2023 was $5.5 million, $4.4 million, and $8.6 million, respectively.

During the year ended December 31, 2024 the Company granted performance restricted stock units to certain key employees of Neuronetics and Greenbrook, with vesting subject to the recipient's continued service with the Company through the applicable vesting date and the achievement of certain performance conditions as outlined in the award document. For legacy Greenbrook employees who became Neuronetics employees in connection with the Arrangement, the awards are subject to the terms of the Company's 2020 Inducement Incentive Plan. For legacy Neuronetics employees, the awards are subject to the Company's 2018 Equity Incentive Plan.

The Company offers our board of directors and certain employees the opportunity to defer restricted stock units into an equity-based deferred equity compensation plan, the Restricted Stock Unit Deferral Election Plan ("RSUDEP"). Benefits from these plans are payable in shares of Neuronetics stock and the awards under this plan are unfunded to the plans' participants. Restricted stock units deferred under the RSUDEP are counted against the total shares available for future issuance under the 2018 Equity Incentive Plan. As December 31, 2025 there were 0.3 million shares deferred under this plan.

The Company did not grant performance restricted stock units during the year ended December 31, 2023.

18. EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

The Company maintains a 401(k) defined contribution retirement plan which covers all of its employees. Employees are eligible to participate on the first of the month following their date of hire. Under the 401(k) plan, participating employees may defer up to 100% of their pre-tax salary but not more than statutory limits. As of December 31, 2025, the Company contributes 3% of employee salary to the participant's defined contribution plan, which vests immediately. Employee contributions also vest immediately.

Greenbrook employees are eligible to participate in their plan on the first of the month following 60 days of hire. Under the 401(k) plan, participating employees may defer up to 100% of their pre-tax salary but not more than statutory limits. As of December 31, 2025, the Company matches 100% of each dollar an employee contributes on the first 1% of wages and 50% on additional contributions between 1% and 6% of wages (for a maximum total match of 3.5%). Full vesting occurs after two years of service.

2018 Employee Stock Purchase Plan

In July 2018, the Company adopted the 2018 Employee Stock Purchase Plan ("ESPP") with an initial 0.2 million share reserve, subject to automatic annual increases on January 1st of each year for a period of up to ten years, as defined in the plan document. The purpose of the 2018 ESPP is to enhance employee interest in the success and progress of the Company by encouraging employee ownership of common stock of the Company. The 2018 ESPP provides the opportunity to purchase the Company's common stock at a 15% discount to the market price through payroll deductions or lump sum cash investments. As of December 31, 2025, the Company had not yet approved any offering under the plan and 2.2 million shares were reserved for issuance.

19. INCOME TAXES

The Company's loss before income taxes was $39.1 million, $43.7 million and $30.2 for the years ended December 31, 2025, 2024, and 2023, respectively, and was generated primarily in the United States. The Company did not record current or deferred income tax expense or benefit during the years ended December 31, 2025, 2024, and 2023.

A reconciliation of the statutory United States federal income tax rate to the Company's effective tax rate is as follows (in thousands, except percentages):

	Tax Year ended December 31,					
	2025		2024		2023	
U.S. Statutory Tax Rate	$ (8,207)	21.0 %	$ (9,183)	21.0 %	$ (6,339)	21.0 %
State and Local Income Taxes, Net of Federal Income Tax Effect*	(1,181)	3.0 %	(210)	0.5 %	(421)	1.4 %
Foreign Tax Effects	—	— %	—	— %	—	— %
Effect of Changes in Tax Laws or Rates Enacted in the Current Period	—	— %	—	— %	—	— %
Effect of Cross-Border Tax Laws	—	— %	—	— %	—	— %
Tax Credits	404	(1.0)%	224	(0.5)%	85	(0.3)%
Change in Valuation Allowances	7,000	(17.9)%	6,909	(15.8)%	6,666	(22.1)%
Nontaxable or Nondeductible Items:						
Transaction Fees	—	— %	1,160	(2.7)%	—	— %
Stock-based Compensation	64	(0.2)%	401	(0.9)%	(144)	0.5 %
Sec. 162(m)	167	(0.4)%	316	(0.7)%	457	(1.5)%
Meals & Entertainment	185	(0.5)%	134	(0.3)%	120	(0.4)%
Noncontrolling Interest	94	(0.2)%	(3)	— %	—	— %
Employee Retention Credit	—	— %	—	— %	(620)	2.1 %
Changes in Unrecognized Tax Benefits	—	— %	—	— %	—	— %
Other Adjustments:						
Deferred Only: Expiration of net operating losses	1,469	(3.8)%	252	(0.6)%	196	(0.7)%
Other	5	— %	—	— %	—	— %
Actual income tax benefit / effective tax rate	—	— %	—	— %	—	— %

* The following states made up the majority (greater than 50%) of the tax effect in this category: California, Florida and Pennsylvania.

For the years ended December 31, 2025, 2024 and 2023 no amounts were paid for income taxes in any jurisdictions.

The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets were as follows (in thousands):

	December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	$ 113,641	$ 106,645
Research and development credits	2,295	2,699
Share-based compensation	1,686	1,788
Accruals	5,795	563
Interest expense	344	12,677
Lease liability	14,775	731
Capitalized start-up costs	5,744	6,279
Capitalized R&D costs	4,110	5,445
Other temporary differences	1,610	1,393
Gross deferred tax assets	150,000	138,220
Less: Valuation allowance	(141,664)	(133,990)
Total deferred tax assets	$ 8,336	$ 4,230
Deferred tax liabilities:		
Capitalized software	$ —	$ (103)
Fixed assets	(205)	(646)
Right-of-use asset	(5,517)	(541)
Prepaid commission	(2,614)	(2,940)
Gross deferred tax liabilities	(8,336)	(4,230)
Net deferred taxes	$ —	$ —

In assessing the realizability of the net deferred tax asset, the Company considers all relevant positive and negative evidence in determining whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The realization of the gross deferred tax assets is dependent on several factors, including the generation of sufficient taxable income prior to the expiration of the net operating loss carryforwards. The Company believes that it is more likely than not that the Company's deferred income tax asset associated with its net operating losses will not be realized in the immediate future. As such, there is a full valuation allowance against the net deferred tax assets as of December 31, 2025 and 2024. The valuation allowance increased by $7.7 million and $7.2 million during the years ended December 31, 2025 and 2024, respectively, due primarily to acquired deferred tax assets as well as the generation of net operating losses and disallowed interest expense carryforwards. The changes in the valuation allowance were as follows (in thousands):

	Year ended December 31,	
	2025	2024
Balance at the beginning of the year	$ 133,990	$ 94,472
Amounts acquired through purchase accounting	—	32,284
Amounts charged to expense	7,674	7,234
Balance at the end of the year	$ 141,664	$ 133,990

The following table summarizes carryforwards of federal net operating losses and tax credits as of December 31, 2025 (in thousands):

	Amount	Expiration Beginning in
Federal net operating losses	$ 454,471	2026
State net operating losses	$ 360,540	2026
Research and development credits	$ 2,295	2026

Under the Tax Reform Act of 1986 (the “Act”), the net operating loss and tax credit carryforwards are subject to review and possible adjustment by the Internal Revenue Service and state tax authorities. Net operating loss and tax credit carryforwards may become subject to an annual limitation in the event of certain cumulative changes in the ownership interest of significant shareholders over a three-year period in excess of 50 percent, as defined under Sections 382 and 383 of the Internal Revenue Code, respectively, as well as similar state provisions. This could limit the amount of tax attributes that can be utilized annually to offset future taxable income or tax liabilities. The amount of the annual limitation is determined based on the value of the Company immediately prior to the ownership change. Subsequent ownership changes may further affect the limitation in future years. The Company has not done an analysis to determine whether or not ownership changes, as defined by the Act, have occurred since inception.

The Company will recognize interest and penalties related to uncertain tax positions in income tax expense. As of December 31, 2025, the Company had no accrued interest or penalties related to uncertain tax positions and no amounts have been recognized in the Company’s Consolidated Statements of Operations. Due to net operating loss and tax credit carry forwards that remain unutilized, income tax returns for tax years from inception through 2024 remain subject to examination by the taxing jurisdictions.

20. COMMITMENTS AND CONTINGENCIES

Executive Employment Agreements

The Company has entered into an employment agreement and offer letters with certain key executives, providing for compensation and severance in certain circumstances, as defined in the agreements.

Legal Matters

The Company is subject from time to time to various claims and legal actions arising during the ordinary course of its business. Management believes that there are currently no claims or legal actions that would reasonably be expected to have a material adverse effect on the Company’s results of operations, financial condition or cash flows.

Other Matters

We are subject to various audits from government agencies including Medicaid and Medicare which involve the potential recoupment of reimbursements received from these agencies. These audits occur in the ordinary course of business. As of December 31, 2025 the Company had $0.8 million of expenses recorded within accrued expenses on the consolidated balance sheets.

21. DISTRIBUTION AGREEMENT WITH TEIJIN PHARMA LIMITED

In October 2017, the Company entered into a distribution agreement with Teijin for the exclusive distribution of its NeuroStar Advanced Therapy System to customers who will treat patients with MDD in Japan. Under the distribution agreement, Teijin is generally restricted from selling competing products in Japan. The distribution agreement provides that the Company will have primary responsibility for obtaining

reimbursement approval for use of NeuroStar Advanced Therapy System for the treatment of MDD in Japan, and Teijin will promote the sales of NeuroStar Advanced Therapy System for treatment of MDD in Japan. The Company has agreed to provide sales and technical support training to Teijin for its NeuroStar Advanced Therapy Systems. Teijin is required to purchase minimum dollar values of NeuroStar Advanced Therapy Systems and treatment sessions from the Company.

In 2017, under the distribution agreement with Teijin, the Company received an upfront payment of $0.75 million and a milestone payment of $2.0 million following the Japanese Ministry of Health, Labour and Welfare's, or JMHLW, approval of marketing the NeuroStar Advanced Therapy System for the treatment of MDD in Japan. In the second quarter of 2019, under the distribution agreement with Teijin, the Company earned a second milestone payment of $0.7 million, following Japan's Central Social Insurance Medical Council (Chuikyo) approval of the recommendation by JMHLW's expert review panel to provide reimbursement for NeuroStar Advanced Therapy for the treatment of MDD in adults. The reimbursement went into effect on June 1, 2019 and covers patients who are treated in the largest inpatient and outpatient psychiatric facilities in Japan at the rate of JPY12,000 per treatment session. These upfront and subsequent milestone payments have been deferred and were recognized as revenue over the original term of the agreement.

In May 2019, the Company and Teijin entered into an amendment to the distribution agreement, which among other things finalized transfer prices, forecasting and minimum purchases, and made certain clarifications to the agreement.

The distribution agreement is scheduled to expire on March 31, 2027, subject to earlier termination if the Company or Teijin breach the agreement, Teijin fails to maintain distributor-level permits and approvals, Teijin fails to purchase from the Company specified dollar values of its sales forecasts, reimbursement for treatment of MDD using the NeuroStar Advanced Therapy System is not obtained from JMHLW by specified dates or such reimbursement is below specified minimums, Teijin reasonably believes that it is not commercially reasonable to continue distributing the NeuroStar Advanced Therapy System in Japan or bankruptcy related events occur. The term of the distribution agreement will be automatically extended for two years unless either party gives the other party at least two years' prior written of notice of non-renewal, except that the Company cannot decline to renew the agreement if Teijin has purchased 100% of its sales forecasts over the term of the agreement.

22. SEGMENT INFORMATION

The Company reports the results of our operations as two segments in our consolidated financial statements: (i) medical device and (ii) clinic services.

The determination of our reporting segments was made based on our strategic priorities, which corresponds to the way our CODM reviews and evaluates operating performance to make decisions about resources to be allocated. For our operating segments, the CODM uses segment gross profit and segment loss before unallocated general and administrative as the primary measure of segment performance because it reflects results that are directly attributable to each reportable segment and is the measure most consistent with the Company's consolidated results prepared in accordance with U.S. GAAP. The CODM does not regularly review any other measures of segment profit or loss for purposes of assessing segment performance or allocating resources.

On a monthly basis, the CODM considers month-to-month and budget-to-actual variances for both measures when allocating resources to segments. The accounting policies of its segment are the same as those described in the summary of significant accounting policies. The CODM is regularly provided information on total consolidated assets and liquidity; however, the CODM is not provided asset information at the reportable segment level. Accordingly, segment assets have not been disclosed.

Significant segement expenses regularly reviewed by CODM for both segments include directly attributable cost of revenues, selling, general and administrative and research and development expenses. Unallocated general and administrative costs include corporate support functions such as executive management, corporate accounting, information technology, legal human resources and Board of Directors fees. Additionally, unallocated general and administrative costs may also include expenses such as litigation and merger and related acquisition-related costs, which are not specific to a segment and thus not allocated to the reportable segments.

Segment information for prior periods has been recast to conform to the current year reportable segment structure. There were no intercompany transactions between the Company's reportable segments during the years presented. Reportable segment information is presented below (in thousands):

Year ended December 31, 2025	**Med Device**	**Clinic Service**	**Total**
Revenue	$ 62,180	$ 86,977	$ 149,157
Cost of revenues	16,464	60,385	76,849
Segment gross profit	$ 45,716	$ 26,592	$ 72,308
Significant Segment Expense			
Selling, General and Administrative			
Direct	$ 36,120	$ 29,528	$ 65,648
Research and development			
Direct	6,353	231	6,584
Segment profit/(loss)	$ 3,243	$ (3,167)	$ 76
Unallocated expenses			
General and Administrative			$ 31,512
Other income, net			(716)
Interest expense			8,415
Net loss			$ (39,135)

Year ended December 31, 2024	Med Device	Clinic Service	Total
Revenue	$ 70,445	$ 4,445	$ 74,890
Cost of revenues	17,516	3,213	20,729
Segment gross profit	$ 52,929	$ 1,232	$ 54,161
Significant Segment Expense			
Selling, General and Administrative			
Direct	$ 44,777	$ 854	$ 45,631
Research and development			
Direct	12,758	13	12,771
Segment profit/(loss)	$ (4,606)	$ 365	$ (4,241)
Unallocated expenses			
General and Administrative			$ 30,322
Other income, net			(2,549)
Interest expense			7,286
Loss on extinguishment of debt			4,427
Net loss			$ (43,727)

Year ended December 31, 2023	Med Device	Clinic Service	Total
Revenue	$ 71,348	$ —	$ 71,348
Cost of revenues	19,643	—	19,643
Segment gross profit	$ 51,705	$ —	$ 51,705
Significant Segment Expense			
Sales and marketing			
Direct	$ 47,318	$ —	$ 47,318
Research and development			
Direct	9,515	—	9,515
Segment loss	$ (5,128)	$ —	$ (5,128)
Unallocated expenses			
General and administrative			25,426
Other income, net			$ (5,789)
Interest expense			5,424
Net loss			$ (30,189)

23. NON-CONTROLLING INTEREST

As a result of the Greenbrook acquisition (see Note 5), the Company has operating agreements with several non-wholly owned entities. The non-controlling interest percentages range from 10% to 49%. The Company has control over these entities under U.S. GAAP as the Company has power over all significant decisions made by these entities. Thus, 100% of the financial results of these subsidiaries are included in the Company's consolidated financial results.

24. GOVERNMENT ASSISTANCE

Employee Retention Credit

The Coronavirus Aid, Relief and Economic Security Act provided an Employee Retention Credit (the "ERC"), which was a refundable tax credit related to certain payroll taxes. The Company (prior to its acquisition of Greenbrook) applied the grant model and determined that the criteria for recognition of the ERC was met during the year ended December 31, 2023 based on the Company's determination of eligibility and filing of the ERC claim. As of December 31, 2024, the $2.9 million ERC receivable was reported within prepaid expenses and other current assets on the Company's consolidated balance sheets.

The entire balance of the ERC receivable was received during the year end December 31, 2025.

25. SEVERANCE

In December 2025, the Company entered into transition and separation agreements with its former Executive Vice President and Chief Clinic Officer and its former Senior Vice President, Sales. In connection with these agreements, the Company recognized severance-related charges of $0.5 million and $0.2 million, respectively, within salary, payroll tax, and bonus expense for the year ended December 31, 2025. As of December 31, 2025, the unpaid portion of these separation benefits is included in accrued liabilities on the Consolidated Balance Sheet.

26. SUBSEQUENT EVENTS

Subsequent to December 31, 2025, Greenbrook received $2.2 million towards its Employee Retention Credit ("ERC") claim. On March 2, 2026, the Company entered into an agreement with Madryn, under which the Company paid Madryn a portion of the ERC proceeds of $1.1 million. The Company incurred professional fees of $0.3 million and recognized the net interest of $0.8 million. This payment relates to the Term Loan and Exchange Agreement previously executed between Madryn and Greenbrook before completion of the Arrangement Agreement. Madryn is the Company's largest stockholder, and Avinash Amin, M.D., a representative of Madryn, serves on our Board.

On March 12, 2026, the Company entered into the Perceptive Fifth Amendment. Under the Perceptive Fifth Amendment, Neuronetics made a one-time principal payment of $5.0 million, and Neuronetics and Perceptive agreed to adjustments to the existing covenants.

On March 17, 2026, the Company announced that Daniel Reuvers will be appointed as the new President and Chief Executive Officer. The Company expects that Mr. Reuvers will commence employment in such capacity on March 23, 2026.

CERTAIN INFORMATION IDENTIFIED WITH THE MARK "[***]" HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE SUCH INFORMATION IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

AMENDMENT NO. 5 AND WAIVER TO CREDIT AGREEMENT AND GUARANTY

This AMENDMENT NO. 5 AND WAIVER TO CREDIT AGREEMENT AND GUARANTY (this "***Amendment***") is made as of March 12, 2026, by and between NEURONETICS, INC., as the Borrower (the "***Borrower***"), and PERCEPTIVE CREDIT HOLDINGS IV, LP, in its capacities as (i) administrative agent for the Lenders (in such capacity, together with its permitted successors and assigns, the "***Administrative Agent***") and (ii) the Majority Lender.

RECITALS

WHEREAS, reference is made to that certain Credit Agreement and Guaranty, dated as of July 25, 2024 (as amended, supplemented or otherwise modified from time to time prior to the date hereof, the "***Existing Credit Agreement***"; the Existing Credit Agreement, as amended or otherwise modified pursuant to this Amendment and as it may be further amended, supplemented or otherwise modified from time to time hereafter, being the "***Credit Agreement***"), by and among the Borrower, certain Subsidiaries of the Borrower from time to time party thereto, the lenders from time to time party thereto (the "***Lenders***") and the Administrative Agent; and

WHEREAS, the Borrower has requested that the Administrative Agent and the Majority Lender (i) make certain amendments to the Existing Credit Agreement and (ii) waive compliance with the No Qualification Requirement (as defined below) to the extent set forth in Section 1.03 below, and the Administrative Agent and the Majority Lender are willing to do so subject to the terms and conditions contained herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
CONSENT, WAIVER AND AMENDMENT

SECTION 1.01. Defined Terms. Unless otherwise defined herein or the context otherwise requires, capitalized terms used in this Amendment (including the preambles and recitals hereto and hereof) shall have the meanings ascribed to such terms in the Existing Credit Agreement.

SECTION 1.02. Amendments to the Existing Credit Agreement. Effective as of the Amendment No. 5 Effective Date, the Existing Credit Agreement is hereby amended as set forth below:

(a) The following new definitions are hereby added to Section 1.01 of the Existing Credit Agreement in their respective alphabetically correct places:

> "***Amendment No. 5***" means Amendment No. 5 to Credit Agreement and Guaranty, dated as of the Amendment No. 5 Effective Date, by and among the Borrower, the Administrative Agent and the Majority Lender.
>
> "***Amendment No. 5 Effective Date***" means March [ ], 2026.

(b) Section 10.01 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

> **10.01 Minimum Liquidity**. The Borrower hereby covenants and agrees that
>
> (i) at all times from the Amendment No. 5 Effective Date until and including March 31, 2027, it shall hold and maintain a minimum aggregate balance of one million dollars ($1,000,000), (ii) at all times following March 31, 2027 until and including June 30, 2027, it shall hold and maintain a minimum aggregate balance of two million dollars ($2,000,000), (iii) at all times following June 30, 2027 until and including September 30, 2027, it shall hold and maintain a minimum aggregate balance of three million dollars ($3,000,000), (iv) at all times following September 30, 2027 until and including December 31, 2027, it shall hold and maintain a minimum aggregate balance of four million dollars ($4,000,000) and (v) at all times following December 31, 2027, it shall hold and maintain a minimum aggregate balance of five million dollars ($5,000,000), in each case and at all such times in unrestricted cash-on-hand and Permitted Cash Equivalent Investments in one or more Controlled Accounts that shall be (x) maintained with one or more commercial banks or similar deposit-taking institutions in the U.S. and (y) free and clear of all Liens, other than Liens granted under the Loan Documents in favor of the Administrative Agent for the benefit of the Secured Parties.

(c) The table set forth in Section 10.02 of the Existing Credit Agreement is hereby amended and restated in its entirety to read as follows:

[***]

SECTION 1.03. Waiver. Reference is made to the requirement set forth in Section 8.01(b) of the Credit Agreement requiring that the reports and opinions accompanying the Borrower's financial statements to be delivered pursuant to that section not be subject to any "going concern" or like qualification or exception (the "***No Qualification Requirement***"). Effective as of the Amendment No. 5 Effective Date, with respect only to (i) the financial statements to be delivered for the fiscal year ended December 31, 2025 and (ii) any financial statements to be delivered pursuant to such Section 8.01(b) or Section 8.01(a) of the Credit Agreement with respect to any financial period occurring during the fiscal year ending December 31, 2026 (collectively, the "***Subject Financial Statements***"), the Administrative Agent and the Majority Lender hereby waive (x) compliance with

the No Qualification Requirement and (y) agree that, in the event any Subject Financial Statement is subject to any "going concern" or like qualification or exception as to scope or otherwise, including prospective breaches of financial covenants (collectively an "***Opinion Qualification***"), (1) the mere assessment or inclusion of an Opinion Qualification on any Subject Financial Statement, in and of itself, shall not result in or constitute (or be deemed to result in or constitute) a Material Adverse Change, Material Adverse Effect or any other Default or Event of Default, and (2) no prospective event, occurrence or circumstance that gave rise to the assessment or inclusion of any such Opinion Qualification shall result in or constitute (or be deemed to result in or constitute) a Material Adverse Change, Material Adverse Effect or any other Default or Event of Default until and unless such event, occurrence or circumstance has actually occurred and, pursuant to the terms of the Credit Agreement, qualifies as a Material Adverse Change, Material Adverse Effect or any other Default or Event of Default, as the case may be. Notice of any such report or opinion shall be deemed furnished on the date such report or opinion is publicly available on "EDGAR" and notice of such availability is provided to the Administrative Agent. For the avoidance of doubt, the No Qualification Requirement shall continue to apply to any financial statements to be delivered pursuant to such Section 8.01(b) of the Credit Agreement for any fiscal period occurring on or after January 1, 2027.

SECTION 1.04. No Other Waivers, Amendments or other Modifications Implied or Intended. Except as set forth in this Amendment, this Amendment shall not, by implication or otherwise, limit, impair, constitute a waiver of or otherwise affect any rights or remedies of any Secured Party under the Existing Credit Agreement, the Credit Agreement or any other Loan Document, or alter, modify, supplement, amend or in any way affect any of the terms, obligations or covenants contained in the Existing Credit Agreement, the Credit Agreement or any other Loan Document, all of which shall continue in full force and effect. Nothing in this Amendment shall be construed to imply any willingness on the part of any Secured Party to agree to or grant any similar or future amendment, consent or waiver of any of the terms and conditions of the Existing Credit Agreement, the Credit Agreement or any other Loan Document.

ARTICLE II
CONDITIONS PRECEDENT

SECTION 2.01. Conditions to Effectiveness of this Amendment. The effectiveness of this Amendment shall be subject to the prior or simultaneous satisfaction (or waiver thereof by the Administrative Agent) of each of the following conditions precedent in a manner reasonably satisfactory to the Administrative Agent (the date upon which all such conditions are satisfied or waived being the "***Amendment No. 5 Effective Date***"):

(a) **Executed Amendment**. The Administrative Agent shall have received this Amendment, duly executed by the Borrower, the Administrative Agent and each of the Lenders party hereto.

(b) **Secretary's Certificate, Etc**. Unless the Borrower certifies to the Administrative Agent that the certificates and other documents delivered pursuant to Section 6.01(a) of the Existing Credit Agreement on the Amendment No. 2 Effective Date or the Amendment No. 4 Effective Date, as applicable, remain in full force and effect (without any amendment, modification, rescission, revision, repeal or supplementation since the Amendment No. 4 Effective Date) as of the Amendment No. 5 Effective Date and may be relied upon by the Secured Parties as of such date, the Borrower shall deliver updated certificates and other documents equivalent to those delivered on the

Amendment No. 2 Effective Date or the Amendment No. 4 Effective Date, as applicable, pursuant to Section 6.01(a) of the Existing Credit Agreement, in each case effective as of (and true and correct as of) the Amendment No. 5 Effective Date and reasonably satisfactory to the Administrative Agent.

(c) **Representations and Warranties**. The statements, representations and warranties contained in **Article III** below shall each be true and correct, both immediately before and after giving effect to this Amendment, and the Administrative Agent shall have received a certificate executed by a Responsible Officer of the Borrower, in form and substance reasonably satisfactory to the Administrative Agent, addressed to it and the Lenders and certifying as to the foregoing.

(d) **Amendment No. 5 Prepayment**. Pursuant to Section 3.03(a)(i) of the Credit Agreement, the Borrower shall make an optional prepayment of the outstanding principal amount of the Loans in an amount equal to $5,000,000, together with (i) all accrued but unpaid interest on such prepaid principal amount and (ii) the applicable Early Prepayment Fee payable on such prepaid principal amount, in each case by wire transfer of immediately available funds to an account designated by the Administrative Agent (the "***Amendment No. 5 Prepayment***").

(e) **Costs and Expenses, Etc**. The Administrative Agent shall have received for its account and the account of each Lender all reasonable and documented fees, costs and expenses due and payable to them pursuant to Section 14.03 of the Existing Credit Agreement (including the Administrative Agent's and each Lender's reasonable and documented legal fees and out-of-pocket expenses).

ARTICLE III
REPRESENTATIONS AND WARRANTIES

SECTION 3.01. To induce the Administrative Agent and the Lenders to execute and deliver this Amendment, the Borrower hereby represents and warrants to the Administrative Agent and the Lenders that, as of the Amendment No. 5 Effective Date, each of the following statements are true and correct:

(a) The Borrower has full power, authority and legal right to execute, deliver this Amendment and perform under this Amendment and any other Loan Document to which it is a party as amended hereby.

(b) The transactions contemplated by this Amendment, the Credit Agreement as amended hereby are within the Borrower's corporate or other powers and have been duly authorized by all necessary corporate action including, if required, approval by all necessary holders of Equity Interests. This Amendment has been duly executed and delivered by the Borrower and this Amendment, the Credit Agreement as amended hereby and each other Loan Document to which the Borrower is a party each constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or similar Laws of general applicability affecting the enforcement of creditors' rights and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

(c) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or any other Person (other than those that have been duly obtained or made and which are in full force and effect as of the Amendment No. 5 Effective Date) is required for the due execution or delivery by the Borrower of this Amendment, or performance by the Borrower of its obligations under this Amendment or each other Loan Document to which it is a party as amended hereby. The execution or delivery by the Borrower of this Amendment, or performance by the Borrower of its obligations under this Amendment or each other Loan Document to which it is a party as amended hereby, will not (i) violate or conflict with any Law in any material respect, (ii) violate or conflict with any Organic Document of the Borrower, (iii) except to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect or a Material Regulatory Event, violate or conflict with any Governmental Approval of any Governmental Authority, (iv) violate or result in a breach or default under any Material Agreement binding upon the Borrower that results in the termination or acceleration of such Material Agreement (or has a similar result or effect) or gives any counterparty to such Material Agreement the right to terminate or accelerate such Material Agreement (or the right to cause a similar result or effect) or (v) result in the creation or imposition of any Lien (other than Permitted Liens) on any asset of the Borrower.

(d) Both immediately before and after giving effect to this Amendment, no Default or Event of Default shall have then occurred and be continuing, or could reasonably be expected to result from the execution, delivery and performance of this Amendment or the transactions contemplated hereby.

(e) Both immediately before and after giving effect to this Amendment:

(i) the representations and warranties set forth in the Credit Agreement and each other Loan Document that are qualified by materiality, Material Adverse Effect or the like are, in each case, true and correct in all respects; and

(ii) the representations and warranties set forth in the Credit Agreement and each other Loan Document that are not qualified by materiality, Material Adverse Effect or the like are, in each case, true and correct in all material respects.

(f) Immediately after giving effect to the Amendment No. 5 Prepayment on the Amendment No. 5 Effective Date, the aggregate outstanding principal amount of the Loans is $65,000,000.

ARTICLE IV
MISCELLANEOUS

SECTION 4.01. Governing Law; Jurisdiction; Jury Trial. This Amendment and the rights and obligations of the parties hereunder shall be governed by, and construed in accordance with, the law of the State of New York. The jurisdiction and waiver of jury trial provisions set forth in Sections 14.10 and 14.11 of the Credit Agreement, respectively, are incorporated herein by reference *mutatis mutandis*.

SECTION 4.02. Effect of this Amendment.

(a) On and after the Amendment No. 5 Effective Date, each reference in any Loan Document (other than this Amendment) to the Credit Agreement shall mean and be a reference to the Existing Credit Agreement as amended by this Amendment.

(b) This Amendment shall constitute a Loan Document for all purposes of the Credit Agreement and each other Loan Documents. The Borrower agrees that all of the representations, warranties, terms, covenants, conditions and other provisions of the Existing Credit Agreement and other Loan Documents shall, except as expressly set forth in this Amendment, remain unchanged and shall continue to be, and shall remain, in full force and effect in accordance with their respective terms. The amendments set forth herein shall be limited precisely as provided for herein to the provisions expressly amended herein and shall not be deemed to be an amendment to or modification of any other term or provision of the Existing Credit Agreement or any other Loan Document or of any transaction or further or future action on the part of any Obligor which would require the consent of the Lenders or the Administrative Agent under the Credit Agreement or any other Loan Document. Except as expressly amended by this Amendment, the Existing Credit Agreement and the other Loan Documents are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any holder of the Administrative Agent or any Lender under any Loan Document or applicable Law, nor constitute a waiver of any provision of the Credit Agreement.

SECTION 4.03. No Novation. This Amendment is not intended by the parties to be, and shall not be construed to be, a novation of the Existing Credit Agreement, any other Loan Document or any Obligation thereunder.

SECTION 4.04. Counterparts; Electronic Signatures. This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and any of the parties hereto may execute this Amendment by signing any such counterpart. Delivery of an executed signature page of this Amendment by facsimile transmission or electronic transmission (in PDF format) shall be effective as delivery of a manually executed counterpart hereof. Any signature (including, without limitation, (x) any electronic symbol or process attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record and (y) any facsimile or .pdf signature) hereto or to any other certificate, agreement or document related to this transaction, and any contract formation or record-keeping, in each case, through electronic means, shall have the same legal validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any similar state law based on the Uniform Electronic Transactions Act, and the parties hereto hereby waive any objection to the contrary.

SECTION 4.05. Binding Nature. The provisions of this Amendment shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided that the Borrower may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent.

SECTION 4.06. Captions. The captions and section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Amendment.

SECTION 4.07. Severability. If any provision hereof is found by a court to be invalid or unenforceable, to the fullest extent permitted by any applicable Law the parties agree that such invalidity or unenforceability shall not impair the validity or enforceability of any other provision hereof.

SECTION 4.08. Integration. This Amendment constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes any and all previous agreements and understanding, oral or written, relating to the subject matter hereof.

[Signature pages to follow]

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

BORROWER:

NEURONETICS, INC.

By: /s/ Steven E. Pfanstiel
Name: Steven E. Pfanstiel
Title: Executive Vice President, Chief Financial Officer, and Treasurer

ADMINISTRATIVE AGENT AND MAJORITY LENDER:
PERCEPTIVE CREDIT HOLDINGS IV, LP By: PERCEPTIVE CREDIT OPPORTUNITIES GP, LLC, its general partner

By /s/ Sandeep Dixit
Name: Sandeep Dixit
Title: Chief Credit Officer

By /s/ Sam Chawla
Name: Sam Chawla
Title: Portfolio Manager

Non-Employee Director Compensation Policy

Last Updated: March 2025

Purpose and Objective

Each non-employee member of the Board of Directors (the "***Board***") of Neuronetics, Inc. (the "***Company***") (each such member, an "***Eligible Director***") will receive compensation as described in this policy for his or her service on the Board. An Eligible Director can decline any part of his or her compensation by notifying the Company before payment or equity grant dates. The Board or its Compensation Committee can amend this policy at any time.

Policy

Annual Cash Compensation

Annual cash compensation is paid quarterly in advance within the first 30 days of each quarter. If an Eligible Director joins mid-quarter, his or her retainer is pro-rated and paid within 30 days of starting, with full payments thereafter. All fees vest upon payment. Directors can opt to receive compensation as vested common stock based on the market price at the granted date, adhering to the Company's Insider Trading and Window Period Policy.

Stock in Lieu of Cash Compensation: Eligible Directors may choose to receive some or all of their quarterly cash compensation in the form of common stock. The Company must be notified of this request by the first business day of each quarter. The Company will then issue shares equal in value to the cash amount requested, reducing the cash compensation payable for such quarter accordingly.

Annual Cash Compensation for Service on Board of Directors	
Recipient	Amount
Non-Chair	$55,000
Chair	$115,000

Annual Cash Compensation for Service on Committees			
Recipient	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Non-Chair	$10,000	$7,500	$5,000
Chair	$20,000	$15,000	$10,000

Equity Compensation

Equity compensation will be granted under the Company's 2018 Equity Incentive Plan (the "***Plan***"), pending stockholder approval.

Annual Grant: At each annual stockholder meeting, Eligible Directors other than the Chair will receive a restricted stock unit award valued at $120,000 up to a maximum limit of 30,000 restricted stock units, and the Chair will receive a restricted stock unit award valued at $145,000 up to a

maximum limit of 36,250 restricted stock units (the "***Annual Grants***"). The Annual Grants vest fully on the first anniversary of the grant date or at the next annual meeting, provided the Eligible Director's Continuous Service (as defined in the Plan). The Annual Grants also vest fully upon a Change in Control (as defined in the Plan). Eligible Directors appointed mid-year receive a pro-rated Annual Grant, subject to the aforementioned restrictions.

EXHIBIT 10.47

EMPLOYMENT AGREEMENT

This Employment Agreement (the "***Agreement***") is made by and between Neuronetics, Inc. (together with its subsidiaries, the "***Company***") and Daniel L. Reuvers ("***Executive***").

WHEREAS, the Company desires to employ Executive, and Executives wishes to be employed by the Company, on the terms and conditions set forth herein; and

WHEREAS, the parties wish to enter into this Agreement to memorialize the terms of Executive's continued employment by the Company.

NOW, THEREFORE, in consideration of the foregoing and intending to be bound hereby, the parties agree as follows:

1. Duration of Agreement. This Agreement is effective as of the date that Executive commences his employment with the Company (the "***Effective Date***"), which is expected to be March 23, 2026, and has no specific expiration date. Unless terminated by agreement of the parties, this Agreement will govern Executive's employment by the Company until that employment ceases.

2. Title; Duties.

2.1. Executive will be employed as the Company's President and Chief Executive Officer. Executive will devote his best efforts and substantially all of his business time and services to the Company to perform such duties as may be customarily incident to his position and as may reasonably be assigned to him from time to time. Executive shall report to the Company's Board of Directors (the "***Board***"). Except as otherwise set forth in Section 2.2, Executive will not, in any capacity, engage in other business activities or perform services for any other individual, firm or corporation without the prior written consent of the Board; *provided*, *however*, that without such consent, Executive may engage in charitable, non-profit and public service activities, so long as such activities do not in any respect interfere or conflict with Executive's performance of his duties and obligations to the Company; and provided further that Executive may serve on for-profit boards of directors (other than the Board) only with the consent of the Board.

2.2. During the term of this Agreement, Executive agrees not to serve on more than two (2) external, for-profit boards of directors. Executive and the Board will periodically discuss whether continued outside for-profit board service is consistent with the requirements of Section 2.1 as well as the policies of proxy advisory firms and institutional investors. Executive agrees to comply with any reasoned decision of the Board with respect thereto.

2.3. The Board intends to appoint Executive to serve as a member of the Board contemporaneously with or as promptly as practicable after the Effective Date. Thereafter, Executive's election to serve as a continuing director on the Board shall be determined by the Company's stockholders.

3. Place of Performance. Executive will substantially perform his services hereunder at the principal executive offices of the Company in Malvern, PA; *provided, however,* that, unless otherwise determined by the Board, Executive may perform such services on a remote basis consistent with the Company's other senior executives; and *provided, further, however,* that Executive may be required to travel from time to time for business purposes.

4. Compensation.

4.1. Base Salary. Executive's annual salary (the "***Base Salary***") will be seven hundred thirty thousand dollars ($730,000), paid in accordance with the Company's payroll practices as in effect from time to time. The Base Salary will be reviewed annually, generally in the first quarter of the fiscal year, by the Compensation Committee of the Company's Board of Directors (the "***Committee***"). The Committee will make recommendations to the Board concerning, and the non-executive Board members will determine, Base Salary in their respective discretion.

4.2. Annual Bonus. Executive shall be eligible to receive an annual incentive bonus (the "***Bonus***"), with a target amount equal to one hundred percent (100%) of his Base Salary, subject to annual review by the Committee. The Committee will make recommendations to the Board concerning, and the non-executive Board members will determine, Executive's Bonus target in their respective discretion. The actual Bonus payable with respect to a particular fiscal year will be determined by the Board, after consulting with the Committee, based on the achievement of corporate and/or individual objectives established by the Board in consultation with the Committee and Executive. Notwithstanding the foregoing, the Bonus payable for the Company's 2026 fiscal year shall be no less than fifty percent (50%) of the target Bonus, determined on a pro rata basis based on the number of days Executive is employed by the Company during 2026. Any Bonus payable under this paragraph is payable in whole or in part at the discretion of the Board, will be paid during the calendar year immediately following the fiscal year in respect of which the bonus is payable and, except as otherwise provided in Severance Agreement (as defined below), will only be paid if Executive remains continuously employed by the Company through the actual bonus payment date.

4.3. Equity Incentive Awards.

4.3.1. Beginning in 2027, Executive shall be eligible to receive equity-based compensation commensurate with his position in connection with any annual equity-based awards made to senior executives of the Company. Such awards shall be made in the sole discretion of the Committee and shall be subject to the terms and conditions set forth in the Company's 2018 Equity Incentive Plan (the "***Plan***") (or other applicable plan) and award agreements, and in all cases shall be as determined by the Board.

4.3.2. As an inducement to Executive's employment with the Company, the Committee shall approve an equity grant in the form of restricted stock units representing of one million five hundred thousand (1,500,000) shares of the Company's common stock (the "***Sign-On Equity Grant***").

4.3.3. The Sign-On Equity Grant will be made on the Effective Date. Such Sign-On Equity Grant shall be structured as an inducement grant under Nasdaq Listing Rule

5635(c), but otherwise subject to all terms and conditions of the 2020 Inducement Incentive Plan and related agreements. The Sign-On Equity Grant will vest in three equal installments on the first, second and third anniversaries of the Effective Date, respectively.

4.4. Employee Benefits. During Executive's employment, Executive will be eligible to participate in all employee benefit plans and programs made available by the Company from time to time to its executives generally, subject to applicable plan terms and policies. The Company periodically reviews its benefits, policies, benefits providers and practices and may terminate, alter or change them at its discretion from time to time.

4.5. Reimbursement of Expenses. Executive will be reimbursed by the Company for all reasonable business expenses incurred by Executive in accordance with the Company's customary expense reimbursement policies as in effect from time to time. The Company will reimburse Executive an aggregate amount up to ten thousand dollars ($10,000) for legal review of this Agreement, the Severance Agreement (as defined below) and the Restrictive Covenant Agreement (as defined below). Notwithstanding anything herein to the contrary, to the extent any expense, reimbursement or in-kind benefit provided to Executive constitutes a "deferral of compensation" within the meaning of Section 409A of the Internal Revenue Code (the "Code") (i) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive must be incurred during Executive's term of employment; (ii) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (iii) the reimbursements for expenses for which Executive is entitled to be reimbursed shall be made on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred and (iv) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

5. Termination. Executive's employment with the Company may be terminated by the Company or Executive at any time and for any reason. Upon any cessation of his employment for any reason, unless otherwise requested by the Company, Executive agrees to resign immediately from all officer and director positions he then holds with the Company Group. Upon any cessation of his employment with the Company, Executive will be entitled only to such compensation and benefits as described in the Severance Agreement attached hereto as Exhibit A (the "***Severance Agreement***").

6. Restrictive Covenants. To induce the Company to enter into this Agreement and in recognition of the compensation to be paid to Executive pursuant to Sections 4 and 5 of this Agreement, Executive agrees to be bound by the provisions set forth in the Restrictive Covenant and Invention Assignment Agreement attached hereto as Exhibit B (the "***Restrictive Covenant Agreement***"). The Restrictive Covenant Agreement will apply without regard to whether any termination or cessation of Executive's employment is initiated by the Company or Executive, and without regard to the reason for that termination or cessation.

7. Miscellaneous.

7.1. Other Agreements. Executive represents and warrants to the Company that there are no restrictions, agreements or understandings whatsoever to which he is a party that

would prevent or make unlawful his execution of this Agreement, that would be inconsistent or in conflict with this Agreement or Executive's obligations hereunder, or that would otherwise prevent, limit or impair the performance by Executive of his duties under this Agreement.

7.2. Cooperation. Executive further agrees that he will cooperate fully with the Company and its counsel with respect to any matter (including litigation, investigations, or governmental proceedings) in which Executive was in any way involved during his employment with the Company. Executive shall render such cooperation in a timely manner on reasonable notice from the Company. The Company shall reimburse Executive any reasonable expenses incurred in rendering such cooperation.

7.3. Successors and Assigns. The Company may assign this Agreement to any successor to its assets and business by means of liquidation, dissolution, sale of assets or otherwise. The duties of Executive hereunder are personal to Executive and may not be assigned by him.

7.3.1. Governing Law and Enforcement. This Agreement will be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the principles of conflicts of laws. Any legal proceeding arising out of or relating to this Agreement will be subject to mediation followed by binding arbitration in Chester County, PA, *provided, however*, that any dispute involving the Restrictive Covenants of Section 6 may be instituted in a state or federal court in the Commonwealth of Pennsylvania, and Executive and the Company hereby consent to the personal and exclusive jurisdiction of such court(s) and hereby waive any objection(s) that they may have to personal jurisdiction, the laying of venue of any such proceeding and any claim or defense of inconvenient forum.

7.4. Waivers. The waiver by either party of any right hereunder or of any breach by the other party will not be deemed a waiver of any other right hereunder or of any other breach by the other party. No waiver will be deemed to have occurred unless set forth in a writing. No waiver will constitute a continuing waiver unless specifically stated, and any waiver will operate only as to the specific term or condition waived.

7.5. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law. However, if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced as though the invalid, illegal or unenforceable provision had never been herein contained.

7.6. Survival. This Agreement will survive the cessation of Executive's employment to the extent necessary to fulfill the purposes and intent the Agreement.

7.7. Notices. Any notice or communication required or permitted under this Agreement will be made in writing and (a) sent by overnight courier, (b) mailed by overnight U.S. express mail, return receipt requested, (c) sent by telecopier, or (d) sent by email. Any notice or communication to Executive will be sent to the address contained in his personnel file. Any notice or communication to the Company will be sent to the Company's principal executive offices, to the attention of its General Counsel. Notwithstanding the foregoing, either party may

change the address for notices or communications hereunder by providing written notice to the other in the manner specified in this paragraph.

7.8. Entire Agreement; Amendments. This Agreement (including its exhibits) contains the entire agreement and understanding of the parties hereto relating to the subject matter hereof, and merges and supersedes all prior and contemporaneous discussions, agreements and understandings of every nature relating to that subject matter (including, without limitation, the employment term sheet). This Agreement may not be changed or modified, except by an agreement in writing signed by each of the parties hereto.

7.9. Withholding. All payments (or transfers of property) to Executive will be subject to tax withholding to the extent required by applicable law.

7.10. Section Headings. The headings of sections and paragraphs of this Agreement are inserted for convenience only and will not in any way affect the meaning or construction of any provision of this Agreement.

7.11. Counterparts; Facsimile. This Agreement may be executed in multiple counterparts (including by facsimile signature), each of which will be deemed to be an original, but all of which together will constitute but one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

<remainder of page intentionally left blank; signature page follows>

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and Executive has executed this Agreement, on the date(s) indicated below.

NEURONETICS, INC.

By: /s/ W. Andrew Macan

Name: W. Andrew Macan

Title: EVP, Chief Legal Officer

Date: March 12, 2026

DANIEL L. REUVERS

/s/ Daniel L. Reuvers

Date: March 12, 2026

Signature page to Employment Agreement

SEVERANCE AGREEMENT

This Severance Agreement (the "Agreement") is made and entered into effective as of date on which Executive commences employment with Company (the "Effective Date"), which is expected to be March 23, 2026, by and between Neuronetics, Inc. ("Company") and the individual set forth on the signature page ("Executive").

RECITALS

WHEREAS, in order to encourage Executive's acceptance of employment and continued dedication to Company, the Board of Directors of Company (the "Board") desires to provide Executive with severance benefits following certain terminations of employment;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and obligations set forth below, the adequacy and sufficiency of which are hereby acknowledged, Company and Executive hereby agree as follows:

1. Term of Agreement. The "Term" of this Agreement will begin on the Effective Date and continue until the earliest of: (i) termination of Executive's employment by Company for Cause, by Executive without Good Reason, or due to Executive's death or Disability; (ii) if Executive becomes entitled to benefits, payment of all benefits to which Executive is entitled under this Agreement and satisfaction of all other obligations of Executive and Company with respect to this Agreement, including Executive's obligations pursuant to the Restrictive Covenant Agreement (as defined herein); and (iii) termination pursuant to Section 11 of this Agreement.

2. At-Will Employment. Company and Executive acknowledge that Executive's employment will continue to be at-will as defined under applicable law, and either Company or Executive may terminate the employment relationship at any time and for any reason. If Executive's employment with Company terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, awards, or compensation other than the payment of accrued but unpaid wages, as required by law, and any unreimbursed business expenses, and as provided by this Agreement.

3. Termination.

3.1 Cause. Company in its sole discretion, may terminate Executive's employment and cancel all of Company's obligations under this Agreement for Cause at any time. The term "Cause" shall mean the occurrence of one or more of the following events: any (a) act of fraud, embezzlement, or theft; (b) willful disregard of Company rules, policies, or procedures or of the assigned duties of Executive or directions of the CEO or the Board (other than due to physical or mental illness or Disability), which has not been corrected (to the extent correctable) within thirty (30) days of Executive receiving a written notice for substantial correction from Company; (c) gross negligence, meaning an act or omission exhibiting a conscious indifference or disregard of Company rules, policies, or procedures or of the assigned duties of Executive, which has not been corrected (to the extent correctable)

within thirty (30) days of Executive receiving a written notice for substantial correction from Company; (d) breach of fiduciary duty for personal gain during the course of Executive's employment with Company; (e) commission by Executive of a felony; (f) intentional act or intentional failure to act by Executive which reasonably could be expected to have a material adverse effect on Company's business, reputation, or operations, which has not been corrected (to the extent correctable) within thirty (30) days of Executive receiving a written notice for substantial correction from Company; or (g) determination that Executive intentionally omitted any requested information or falsified any disclosed information either in Executive's resume or during Executive's interview process with Company. Whether an event constituting "Cause" exists, and whether that event is correctable, shall be determined in the sole discretion of Company.

In the event Company elects to terminate Executive's employment in accordance with this Section, such termination shall be without prejudice to any other remedy to which Company may be entitled under law, equity, or this Agreement. Furthermore, the termination will be effective as of the date of the original written notice of termination and neither party shall have any further obligation to the other (including the payment of any severance benefits by Company to Executive) except for Executive's obligations set forth in the Restrictive Covenant Agreement, which will remain in full force and effect. Specifically, should Company terminate this Agreement for Cause, Executive shall not be entitled to any further compensation other than Executive's earned but unpaid base salary (at the annual rate then in effect), any expense reimbursements to be paid in accordance with Company policy, and payments for any accrued but unused vacation or paid time off in accordance with Company's policies and applicable law (the "Accrued Amounts") up to the effective date of termination of employment with Company (the "Termination Date").

3.2 Resignation without Good Reason. Executive may resign Executive's employment without Good Reason at any time. Executive shall not be entitled to any further compensation other than the Accrued Amounts up to the Termination Date. Company, in its sole discretion, may elect to have Executive immediately cease providing services to Company upon receipt of Executive's notice of resignation; provided, however, Company shall pay the Accrued Amounts through the Termination Date. If applicable, Executive will strive to provide the Company with at least six (6) month's written notice of Executive's anticipated retirement date. The Company and Executive will collaborate in good faith regarding Executive's specific retirement date and transition of Executive's responsibilities. In the discretion of the Board, the Company may accelerate Executive's retirement date and/or transition of responsibilities as it determines to be in the best interest of the Company to ensure an appropriate transition to Executive's successor. Such an acceleration, if any, shall not change or otherwise affect the categorization of Executive's termination of employment as a retirement.

3.3 Without Cause or Resignation for Good Reason.

(a) Executive's employment may be terminated at any time by Company, without any requirement of Cause, upon delivery to Executive of thirty (30) days' prior written notice of its intention to terminate Executive's employment (the "Termination Period"). Company, in its sole discretion, may elect to have Executive immediately cease providing services to Company during the Termination Period; provided,

however, Company shall pay the Accrued Amounts through the end of the Termination Period, whether or not Company elects to continue Executive's services during all or a portion of the Termination Period.

(b) Subject to the terms and conditions of this Agreement, in the event of (A) Executive's termination of employment by Company without Cause, or (B) Executive's resignation for Good Reason, Executive's obligations pursuant to the Restrictive Covenant Agreement will remain in full force and effect. Executive and Company also agree that in the event Executive's termination or resignation in accordance with this Section constitutes a separation from service within the meaning of Treasury Regulation Section 1.409A-1(h), Company, in addition to the Accrued Amounts for the Termination Period, will provide Executive:

(1) severance at a rate equal to Executive's monthly base salary in effect at the time of such termination or resignation for a period of twelve (12) months (the "Severance Period");

(2) any unpaid annual incentive bonus, if any, determined in Company's sole discretion in accordance with the incentive bonus program established by Company for senior Executives of Company (the "Incentive Bonus"), payable to Executive for the fiscal year that ended immediately preceding Executive's termination of employment, regardless of any requirement that Executive be employed on the date of payment;

(3) payment of a prorated annual incentive bonus for the year in which the termination of employment occurs based upon the Company's achievement of the performance metrics for such year, paid at the same time as bonuses are paid to other similarly situated employees and in accordance with the Company's standard payroll practices; and

(4) if Executive (and Executive's spouse or dependents, as applicable) timely elects to continue health, dental, and/or vision coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), Company will pay the full premium cost associated with such COBRA continuation coverage consistent with such coverages as are offered to then active Executives until the earliest to occur of (i) the expiration of the Severance Period; (ii) the date Executive first becomes eligible for health, dental, or vision coverage with a subsequent employer; (iii) the date Executive is no longer eligible for continuation coverage under COBRA; or (iv) the date Executive violates the provisions of the Restrictive Covenant Agreement. Notwithstanding the foregoing, if Company determines that it cannot provide the benefit required by this Paragraph (4) without potentially violating applicable law (including Section 2716 of the Public Health Service Act) or incurring an excise tax, Company shall in lieu thereof provide to Executive a taxable monthly payment for the period described herein in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's and Executive's dependents' COBRA continuation

coverage based on the premium for the first month of COBRA continuation coverage; and

(5) all outstanding, unvested restricted stock, stock options, and other equity incentives awarded to Executive by the Company with a vesting date occurring on or prior to December 31st of the year in which the termination of employment occurs will become immediately and automatically fully vested and exercisable (as applicable).

(c) "Good Reason" means Executive's "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h) following the initial existence of one or more of the following conditions arising without Executive's consent:

(1) a material adverse change of Executive's position with Company that reduces Executive's title, level of authority, duties, and/or responsibilities from those in effect immediately prior to the reduction (other such reductions occurring in connection with Executive's previous notice to the Company of Executive's separation of service from the Company without Good Reason);

(2) a reduction in base salary or target incentive compensation opportunity, excluding such reductions applied to similarly-situated senior corporate officers of Company;

(3) any failure to provide that Executive is eligible to participate in Company benefit plans on a basis that is generally comparable to similarly-situated senior corporate officers of Company; or

(4) any action or inaction that constitutes a material breach by Company of any employment agreement between Executive and Company, if applicable, or a material breach of this Agreement (including a failure to assume this Agreement by any successor to Company).

Within 30 days following the initial existence of a condition described above, Executive must provide written notice to Company of the existence of the condition, and Company must fail to remedy the condition within 120 days of receipt of such notice. If Company fails to remedy the condition, Executive must separate from service with Company within 30 days of the end of the 120-day cure period. If Executive does not separate from service with Company within such 30-day period, Executive will not have incurred a separation from service for Good Reason.

3.4 <u>Change in Control</u>.

(a) For purposes of this Agreement, "Change in Control" shall have the meaning set forth in the Neuronetics, Inc. 2018 Equity Incentive Plan, as may be amended or replaced from time to time (the "Equity Plan"); provided, however, that if any amounts under this Agreement are determined to be subject to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), then a transaction will

not be deemed a Change in Control for purposes of this Agreement unless the transaction qualifies as a change in control event within the meaning of Code Section 409A.

(b) Subject to the terms and conditions of this Agreement, if, during the three (3) month period immediately preceding, through the twelve (12) month period immediately following, the occurrence of a Change in Control, (A) Company terminates Executive's employment without Cause, or (B) Executive resigns for Good Reason, Company will provide Executive:

(1) the amounts described in Subparagraphs (1), (2), and (3) of Section 3.3(b) of this Agreement; provided, however, that the Severance Period shall be extended to eighteen (18) months;

(2) an amount equal to Executive's target Incentive Bonus for the fiscal year of Executive's termination of employment; and

(3) immediate and full vesting (and the ability to exercise, if applicable) of all outstanding unvested restricted stock, stock options, and other equity incentives awarded to Executive by Company.

In the event Executive is entitled to payments pursuant to this Section 3.4, then this Section shall supersede Section 3.3 of this Agreement.

3.5 Death; Disability. In the event Executive's employment ends due to Executive's death or Disability, this Agreement shall terminate and Executive shall not be entitled to any further compensation under this Agreement other than the Accrued Amounts up to the Termination Date. For purposes of this Agreement, "Disability" means a condition entitling Executive to benefits under Company's long-term disability plan, policy, or arrangement; provided, however, that if no such plan, policy, or arrangement is then maintained by Company and applicable to Executive, "Disability" will mean Executive's inability to perform Executive's duties to Company due to a physical or mental condition that can be expected to result in death or that can be expected to last (or has already lasted) for a continuous period of 90 days or more, or for 120 days in any 180 consecutive day period, as determined by an independent physician reasonably satisfactory to Executive and Company whose fees shall be paid by Company. Termination as a result of a Disability will not be construed as a termination by Company "without Cause."

3.6 Release; Timing of Payment.

(a) Company shall not be obligated to make any severance payment to Executive under Section 3.3 or 3.4 of this Agreement until Executive has timely delivered to Company a separation agreement, which will include a release of all claims against Company and a non-disparagement clause in favor of Company, in form and substance satisfactory to Company ("Release"), no later than forty-five (45) days following the Termination Date.

(b) The base salary and COBRA continuation severance payable pursuant to Sections 3.3 and 3.4 above shall be paid in substantially equal installments in accordance with Company's payroll practices over the Severance Period; the Incentive Bonus severance described in Section 3.3(b)(2) above shall be paid in a single lump sum on the date Incentive Bonus payments are paid to employees generally; the Incentive Bonus severance described in Section 3.4(b)(2) above shall be payable in a single lump sum commencing within the sixty (60) days immediately following the Termination Date; and any equity awards will be payable in accordance with the Equity Plan, as applicable. Notwithstanding the foregoing, no amounts will be paid pursuant to this Agreement unless and until the Release has become effective and irrevocable under all applicable law; provided, that if the period from the Termination Date until the date of payment can encompass two consecutive calendar years, payment will not be made until the later calendar year. The first payment after the Release has become effective shall include all amounts that would have been paid following the Termination Date had the Release been effective as of the Termination Date but which were not yet paid.

3.7 Violation of Restrictive Covenant Agreement. Notwithstanding anything herein to the contrary, Executive's violation of the Restrictive Covenant Agreement at any point during the Severance Period shall result in forfeiture of all unpaid amounts set forth in Sections 3.3 and 3.4 above, Company shall be under no further obligation to make any further payment to Executive, and Executive will be required to repay to Company the gross amount of any payments made pursuant to this Agreement within thirty (30) days of the demand by Company.

3.8 No Mitigation. Executive shall not be obligated to seek other employment or take other action to mitigate the amounts payable to Executive hereunder.

3.9 No Additional Severance. Executive acknowledges and agrees that the severance described in this Section 3 shall be in lieu of any other severance payments or benefits to which Executive may be eligible or entitled to receive under any other severance plan or arrangement of Company or its affiliates.

3.10 Clawback. Notwithstanding anything herein to the contrary, any amounts payable pursuant to Section 3.3 or 3.4 above remain subject to Company's clawback policy. By entering into this Agreement, Executive acknowledges and agrees that Executive is subject to any clawback and recoupment policies that may be applicable to Executive as an employee of Company, as in effect (or as may be amended) from time to time.

4. Restrictive Covenant Agreement. Executive acknowledges and agrees to abide by the terms of the Restrictive Covenant and Invention Assignment Agreement, as may be amended from time to time, in form and substance acceptable to Company, and/or any other restrictive covenant agreement in the form and substance determined in the discretion of Company (the "Restrictive Covenant Agreement"). Executive acknowledges that the Restrictive Covenant Agreement shall continue to remain in full-force and effect in accordance with its terms following cessation of Executive's employment with Company for any reason. If Executive does not execute the Restrictive Covenant Agreement on or before the fifth (5th) calendar day following the Effective Date, or does not have a prior Restrictive Covenant Agreement already in effect as of the Effective

Date, this Agreement shall be deemed null and void from the outset and Company shall have no obligations hereunder.

5. Arbitration.

5.1 Executive and Company agree and stipulate that any claims, disputes, and demands which may arise out of Executive's employment with Company, Executive's termination of employment, the interpretation or application of any term, provision, and/or language in this Agreement, and/or disputes, controversies or claims between Executive and Company, regardless of whether said claims, disputes, or demands are based on contract law, common law, federal or state statutes, federal or state constitutional provisions, or otherwise, shall first be submitted to mediation administered by the American Arbitration Association ("AAA") under its Employment Arbitration Rules and Medication Procedures, before resorting to arbitration. Thereafter, any unresolved claim, dispute, or demand shall be submitted to final and binding arbitration pursuant to the Federal Arbitration Act ("Act") in accordance with the Employment Arbitration Rules (or successor rules) of the AAA and Federal Rule of Civil Procedure 68; provided, however, that nothing in this Section shall preclude either party from seeking or obtaining judicial enforcement of the Restrictive Covenant Agreement, through injunctive or equitable relief without arbitration as provided in the Restrictive Covenant Agreement. The FAA applies to this Agreement because Company's business involves interstate commerce. Specifically, Company's business affects interstate commerce because Company operates facilities in various states outside of Pennsylvania; it purchases goods and services and other products from vendors who are located outside of Pennsylvania; it ships goods and other products and provides services to persons and entities in various states outside of Pennsylvania; and/or it promotes its business in various states.

5.2 The arbitration shall be conducted before a single arbitrator who is licensed to practice law in the Commonwealth of Pennsylvania and familiar with employment disputes. The parties may select an arbitrator for their dispute by agreement. If the parties cannot agree upon an arbitrator within thirty (30) days from either party's request for arbitration, either party may request a list of proposed arbitrators from AAA. AAA will guide the parties through the selection of a neutral arbitrator in accordance with its Rules and will provide the parties at least two complete panels from which a selection may be made. The arbitration shall be scheduled within one hundred eighty (180) days after the arbitrator has been selected with the hearing to take place in Chester County, Pennsylvania, and the arbitrator shall issue a written decision within thirty (30) days after the close of the hearing, unless otherwise agreed by the parties.

5.3 The parties shall have the right to file dispositive motions and post-hearing briefs. The arbitrator's authority and jurisdiction shall be limited to determining the matter in dispute consistent with controlling law and this Agreement. Except as otherwise provided herein, the arbitrator shall apply, and shall not deviate from, the substantive law of the state in which the claim(s) arose and/or federal law, as applicable. The arbitrator shall have the same authority to order remedies (e.g., emotional distress damages, punitive damages, equitable relief, etc.) as would a court of competent jurisdiction. The arbitrator shall not have the authority to hear disputes not recognized by existing law and shall dismiss such claims upon motion by either party in accordance with the summary judgment standards of the applicable jurisdiction. Similarly, the arbitrator shall not have the authority to order any remedy that a

court would not be authorized to order. The arbitrator shall render a written award setting forth the arbitrator's findings of fact and conclusions of law within 30 days after the close of the hearing, unless otherwise agreed by the parties. The arbitrator, and not any federal, state, or local court, shall have exclusive authority to resolve any dispute relating to the formation, enforceability, applicability, or interpretation of this Agreement, including without limitation any claim that this Agreement is void or voidable. Thus, the parties voluntarily waive the right to have a court determine the enforceability of this Agreement.

5.4 Any party hereto who refuses or fails to proceed to arbitration of a dispute covered by this Agreement, after having received a written request from the other party that it/he do so, will be liable to the party requesting arbitration for all attorney fees, costs, and litigation expenses incurred in compelling arbitration.

5.5 The parties acknowledge that because of their relative positions, knowledge and sophistication, they are capable of, and voluntarily consent to, an equal division of the arbitrator compensation and administrative fees incurred in connection with any arbitration conducted under this Section, so long as such an order would be consistent with the AAA's employment arbitration rules and mediation procedures. Each party shall be solely responsible for payment of its own attorney's fees, if any, relating to the arbitration, unless otherwise required by statute or contract.

6. Successors. This Agreement shall be binding upon any successor of Company and any successor shall be deemed substituted for Company under the terms of this Agreement. As used in this Agreement, the term "successor" shall include any person, firm, corporation, or other business entity which at any time, whether by merger, purchase, or otherwise, acquires all or substantially all of the assets or business of Company. Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of Company to assume and agree to perform the obligations under this Agreement in the same manner and to the same extent that Company would be required to perform it if no such succession had taken place. Company shall be permitted to assign this Agreement to its successors and assigns, and all covenants and agreements hereunder shall inure to the benefit of and be enforceable by or against its successors and assigns.

7. Entire Agreement. This Agreement supersedes any and all prior or contemporaneous understandings, expectations, statements, representations, negotiations, promises, and agreements (regardless of whether written or oral, expressed or implied) between Company and Executive relating to the subject matter hereof, other than the Restrictive Covenant Agreement and except as provided herein. This Agreement, and the Restrictive Covenant Agreement, incorporate and constitute the full, entire, and complete agreement between Company and Executive with respect to the subject matter hereof and no other agreements, expectations, understandings, representations, and/or promises between the parties and/or their representatives shall be considered valid or effective unless expressly stated herein. Executive shall remain subject to clawback policy of Company, as well as the personnel policies and procedures of Company to the extent that such policies and procedures are not inconsistent with the terms and provisions of this Agreement.

8. 409A Savings Clause. All amounts payable under this Agreement are intended to comply with the "short term deferral" exception from Code Section 409A, specified in Treas. Reg. § 1.409A-1(b)(4) (or any successor provision) or the "separation pay plan" exception specified in Treas.

Reg. § 1.409A-1(b)(9) (or any successor provision), or both of them, and shall be interpreted in a manner consistent with the applicable exceptions. Notwithstanding the foregoing, to the extent that any amounts payable in accordance with this Agreement are subject to Code Section 409A, this Agreement shall be interpreted and administered in such a way as to comply with Code Section 409A to the maximum extent possible. Any reference in this Agreement to a termination of employment means a "separation from service" as defined in Code Section 409A and the applicable guidance issued thereunder. All rights to payments and benefits hereunder shall be treated as rights to receive a series of separate payments and benefits to the fullest extent allowed by Code Section 409A. If payment of any amount subject to Code Section 409A is triggered by a separation from service that occurs while the Executive is a "specified employee" (as defined by Code Section 409A) with the Company, and if such amount is scheduled to be paid within six (6) months after such separation from service, the amount shall accrue without interest and shall be paid on the first business day after the end of such six-month period, or, if earlier, within 15 days after the appointment of the personal representative or executor of the Executive's estate following the Executive's death.

Notwithstanding anything in this Agreement to the contrary, in no event shall Company commence payment or distribution to Executive of any amount that constitutes "nonqualified deferred compensation" within the meaning of Code Section 409A, earlier than the earliest permissible date under Code Section 409A that such amount could be paid or distributed without the imposition of additional taxes, interest, or penalties under Code Section 409A. If any payments or distributions are delayed pursuant to the immediately preceding sentence, Company will accrue such amounts without interest during such period as the payment or distribution may be required to be deferred under Code Section 409A, and will become payable and be paid by Company in a lump-sum payment on the first business day that such amount could be paid or distributed without additional taxes, interest, or penalties being imposed under Code Section 409A.

9. <u>Section 280G</u>.

9.1 In the event that part or all of the payments or benefits to be paid or provided to the Executive under this Agreement together with the aggregate present value of payments, consideration, compensation, and benefits under all other plans, arrangements, and agreements applicable to the Executive ("Total Payments") will be subject to an excise tax under the provisions of Code Section 4999 ("Excise Tax"), the Total Payments shall be reduced so that the maximum amount of the Total Payments (after reduction) will be one dollar ($1.00) less than the amount that would cause the Total Payments to be subject to the Excise Tax; provided, however, that the Total Payments shall only be reduced to the extent the after-tax value of amounts received by the Executive after application of the above reduction would exceed the after-tax value of the Total Payments received by the Executive without application of such reduction. If applicable, the particular payments that are to be reduced shall be subject to the mutual agreement of the Executive and the Company, with a view to maximizing the value of the payments to the Executive that are not reduced.

9.2 For purposes of determining whether any of the Total Payments will be subject to the Excise Tax and the amount of such Excise Tax, (a) all of the Total Payments shall be treated as "parachute payments" within the meaning of Code Section 280G(b)(2), unless in the opinion of tax counsel (the "Tax Counsel") reasonably acceptable to the Executive and selected by the accounting firm (the "Auditor") which was, immediately prior to the Change

in Control, the Company's independent auditor, such other payments or benefits (in whole or in part) do not constitute parachute payments, including by reason of Code Section 280G(b)(4)(A), (b) all "excess parachute payments" within the meaning of Code Section 280G(b)(1) shall be treated as subject to the Excise Tax unless, in the opinion of Tax Counsel, such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered, within the meaning of Code Section 280G(b)(4)(B), in excess of the base amount allocable to such reasonable compensation, or are otherwise not subject to the Excise Tax, and (c) the value of any noncash benefits or any deferred payment or benefit shall be determined by the Auditor in accordance with the principles set forth in Code Section 280G(d)(3) and (d)(4). Prior to the payment date set forth in Section 3.4 of this Agreement, Company shall provide the Executive with its calculation of the amounts referred to in this Section 9.2 and such supporting materials as are reasonably necessary for the Executive to evaluate Company's calculations. If the Executive disputes Company's calculations (in whole or in part), the reasonable opinion of Tax Counsel with respect to the matter in dispute shall prevail.

10. Taxes, Penalties, and Fees. It is the sole obligation of Executive, or Executive's estate or beneficiary, to remain aware of and to pay any and all taxes, fees, or penalties (including any excise taxes) due now or in the future on benefits received under this Agreement, whether or not Executive or Executive's beneficiary has received cash from Company at the time the taxes, fees, or penalties become due. Executive acknowledges that tax requirements may change during the term of this Agreement and that it is Executive's (or Executive's estate's or beneficiary's) obligation to remain aware of these changes and to fulfill these obligations. Any amounts payable (or transfers of property) pursuant to this Agreement will be subject to federal, state, and local tax withholding to the extent required by applicable law.

11. Amendment. No change, amendment, alteration, deletion, addition, supplementation, clarification, or modification to this Agreement or any of its terms shall be valid or of any effect unless, and only if, it is reduced to writing as a formal and specific amendment to this Agreement and is signed by Executive and Company. Notwithstanding the foregoing, no amendment to this Agreement may accelerate any amount payable to Executive unless the amendment and acceleration are allowable by Code Section 409A, or the amounts payable are not subject to Code Section 409A. Further notwithstanding the foregoing, no payment to Executive shall occur upon termination of this Agreement unless the requirements of Code Section 409A have been met, to the extent applicable. Company and Executive agree to execute any and all amendments to this Agreement as they mutually agree may be necessary or appropriate to ensure compliance with the distribution provisions of Code Section 409A or as otherwise needed to ensure that this Agreement complies with, or remains exempt from, Code Section 409A.

12. Severability. The invalidity or unenforceability of a particular provision of this Agreement shall not affect the enforceability of any other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

13. Waiver. The waiver by either party of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach hereof or of any other right herein.

14. Notices. Any notice to be given under this Agreement by either party to the other may be effective either by personal delivery in writing or by mail, certified mail, postage prepaid with return receipt requested. Mailed notices shall be addressed to Executive's current residence or to Company's principal business address. Notices delivered personally shall be deemed communicated as of the actual receipt thereof, and mailed notices shall be deemed communicated and received three (3) days after the mailing of same.

15. Applicable Law; Venue. This Agreement shall be governed by and interpreted under the laws of the Commonwealth of Pennsylvania, and all actions brought to enforce or interpret this Agreement shall be in the courts applicable to Chester County, Pennsylvania.

16. Construction of Agreement. The terms, provisions, and conditions of this Agreement represent the results of negotiations between and among the parties hereto, each of which has had the opportunity to be represented by counsel of its own choosing, and neither of which has acted under duress or coercion whether legal, economic or otherwise. Accordingly, the terms, provisions, and conditions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings.

17. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together will constitute one and the same instrument.

18. Consultation with Attorney. Executive acknowledges and agrees that Executive has been afforded the opportunity to review this Agreement with Executive's legal counsel prior to execution hereof.

(Signature page follows)

IN WITNESS WHEREOF, the parties have hereto set their hand to this Agreement as set out below.

Executive:	Neuronetics, Inc.
Signature: /s/ Dan Reuvers	Signature: /s/ Andrew Macan
Name: Dan Reuvers	Name: Andrew Macan
Date: March 12, 2026	Title: EVP
	Date: March 12, 2026

THIRD AMENDMENT TO RESEARCH COLLABORATION AGREEMENT
("Amendment")

This Amendment is dated 10 December 2025 ("Effective Date")

Between:

(1) COMPASS PATHFINDER LIMITED, a company incorporated in England and Wales under company number 10229259, with its registered offices at 3rd Floor, 1 Ashley Road, Altrincham, Cheshire, WA14 2DT, United Kingdom ("Compass"); and

(2) TMS NEUROHEALTH CENTERS, INC., a Delaware corporation with an address at 8401 Greensboro Drive, Suite 425, Tysons Corner, VA 22102 and its affiliated medical practices (together "GTMS"),

each a "Party" and together the "Parties".

WHEREAS:

(A) The Parties entered into a Research Collaboration Agreement as of 15 December 2023 ("Agreement") which included a Collaboration Plan (as defined in the Agreement).

(B) Thereafter, the Parties entered into a first amendment as of 08 August 2024 to modify the deliverables and research activities contained in the Collaboration Plan (the "First Amendment");

(C) The Parties then entered into a second amendment, as of 14 February 2025, to further modify the deliverables and research activities contained in the Collaboration Plan (the "Second Amendment");

(D) The Steering Committee (as defined in the Agreement) has since agreed to certain further amendments to the deliverables and research activities contained in the Collaboration Plan; and

(E) The Parties now wish to memorialize such amendments by updating the Collaboration Plan.

NOW, THEREFORE, in consideration of the foregoing and for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Compass and GTMS, intending to be legally bound, agree as follows:

1. Definitions

Unless otherwise defined in this Amendment, all capitalized terms used in this Amendment shall have the meaning ascribed to them in the Agreement.

2. Collaboration Plan

2.1 The fee schedule accompanying the Collaboration Plan at "Section E – Compensation" shall be updated as follows:

2.1.1 Activity descriptions, deliverables, and associated payments for Milestones 5-8 shall be updated as reflected in Appendix A.

3. No Further Amendments

Except as expressly modified herein, there are no further amendments to the Agreement, which remains in full force and effect.

4. Counterparts; Electronic Execution

This Amendment may be executed in two (2) or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Furthermore, the words "execution," "signed," "signature," and words of similar import shall be deemed to include electronic or digital signatures, each of which shall be of the same effect, validity, and enforceability as manually executed signatures, as the case may be, to the extent and as provided for under applicable law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS THEREOF, the Parties hereto have executed this Amendment as of the Effective Date by proper persons thereunto duly authorized.

COMPASS PATHFINDER LIMITED

/s/ Kabir Nath

Name: Kabir Nath

Title: CEO

Date: 12/16/2025

GTMS

/s/ Cory Anderson

Name: Cory Anderson

Title: Chief Technology Officer

Date: 12/15/2025

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-226343, 333-252233, 333-266606 and 333-284691) on Form S-8 and (No.333-288526) on Form S-3 of our report dated March 17, 2026, with respect to the consolidated financial statements of Neuronetics, Inc.

/s/ KPMG LLP

Philadelphia, Pennsylvania
March 17, 2026

Exhibit 31.1

CERTIFICATION

I, Keith J. Sullivan, certify that:

1. I have reviewed this Annual Report on Form 10-K of Neuronetics, Inc.;

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

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

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

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

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

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

   (d) Disclosed in this report, any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 17, 2026

By: /s/ Keith J. Sullivan
Name: Keith J. Sullivan
Title: President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Steven Pfanstiel, certify that:

1. I have reviewed this Annual Report on Form 10-K of Neuronetics, Inc.;

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

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

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

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

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

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

   (d) Disclosed in this report, any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 17, 2026

By: /s/ Steven E. Pfanstiel
Name: Steven Pfanstiel
Title: EVP, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Keith J. Sullivan, President and Chief Executive Officer of Neuronetics, Inc. (the "Company"), and Steven Pfanstiel, Executive Vice President, Chief Financial Officer and Treasurer of the Company, each hereby certifies that, to the best of his or her knowledge:

1. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, to which this Certification is attached as Exhibit 32.1 (the "Annual Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

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

Dated: March 17, 2026

IN WITNESS WHEREOF, the undersigned have set their hands hereto as of the 17th day of March, 2026.

By: /s/ Keith J. Sullivan
Name: Keith J. Sullivan
Title: President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Steven E. Pfanstiel
Name: Steven Pfanstiel
Title: EVP, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

"This certification accompanies the Form 10-K to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Neuronetics, Inc. 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 Form 10-K), irrespective of any general incorporation language contained in such filing."